

# American Fork City



Comprehensive Annual Financial Report  
For Fiscal period ended June 30, 2015

American Fork City  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015  
**TABLE OF CONTENTS**

INTRODUCTORY SECTION .....	2
ORGANIZATIONAL CHART .....	10
LIST OF ELECTED AND APPOINTED OFFICIALS .....	11
FINANCIAL SECTION .....	12
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	16
BASIC FINANCIAL STATEMENTS .....	29
<i>Statement of Net Position</i> .....	30
<i>Statement of Activities</i> .....	31
GOVERNMENTAL FUNDS.....	32
<i>Balance Sheet</i> .....	32
<i>Balance Sheet Reconciliation to Statement of Net Assets</i> .....	33
<i>Statement of Revenues, Expenditures and Changes in Fund Balance</i> .....	34
<i>Reconciliation to Statement of Activities</i> .....	35
PROPRIETARY FUNDS.....	36
<i>Statement of Net Position</i> .....	36
<i>Statement of Revenues, Expenditures and Changes in Fund Net Position</i> .....	37
<i>Statement of Cash Flows</i> .....	38
NOTES TO THE FINANCIAL STATEMENTS .....	40
REQUIRED SUPPLEMENTARY INFORMATION .....	71
GENERAL FUND.....	74
<i>Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual</i> .....	74
FITNESS CENTER FUND .....	75
<i>Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual</i> .....	75
OTHER SUPPLEMENTARY INFORMATION.....	79
<i>Combining Financial Statements</i> .....	80
NON-MAJOR GOVERNMENTAL FUNDS .....	81
<i>Combining Balance Sheet</i> .....	81
<i>Combining Statement of Revenues, Expenditures and Changes in Fund Balance</i> .....	82
GENERAL FUND .....	83
<i>Balance sheet</i> .....	84
<i>Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual</i> .....	85
GENERAL FUND ANALYSIS .....	89

American Fork City  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015  
**TABLE OF CONTENTS**

GENERAL FUND.....	90
<i>Analysis of Expenditures .....</i>	<i>90</i>
<i>For the Year Ended June 30, 2015 .....</i>	<i>90</i>
<i>Comparative Five Year Schedule of Revenues, Expenditures and Changes in Fund Balances .....</i>	<i>91</i>
SPECIAL REVENUE FUNDS .....	92
SPECIAL REVENUE FUNDS .....	93
<i>Combining Balance Sheet .....</i>	<i>93</i>
<i>Combining Statement of Revenues, Expenditures, and Changes Fund Balances.....</i>	<i>94</i>
PARC TAX.....	95
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances.....</i>	<i>95</i>
DOWNTOWN REDEVELOPMENT .....	96
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances.....</i>	<i>96</i>
CELEBRATION COMMITTEE .....	97
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances.....</i>	<i>97</i>
BUILDING AUTHORITY .....	98
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances Budget to Actual.....</i>	<i>98</i>
REDEVELOPMENT AGENCY FUND .....	99
<i>Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual .....</i>	<i>99</i>
DEBT SERVICE FUND .....	100
<i>Balance Sheet.....</i>	<i>101</i>
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances, Budget to Actual .....</i>	<i>102</i>
CAPITAL PROJECTS FUND .....	103
<i>Combining Statement of Net Assets.....</i>	<i>104</i>
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget to Actual.....</i>	<i>105</i>
PERPETUAL CARE FUND .....	106
<i>Combining Balance Sheet .....</i>	<i>107</i>
<i>Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget to Actual.....</i>	<i>108</i>
PROPRIETARY FUNDS.....	109
<i>Combining Statement of Net Position.....</i>	<i>110</i>
<i>Combining Schedule of Revenues, Expenditures, and Changes Net Assets.....</i>	<i>112</i>
<i>Combining Statement of Cash Flows .....</i>	<i>113</i>
WATER AND SEWER FUND .....	115
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances, Budget to Actual .....</i>	<i>115</i>
BROADBAND FUND .....	116
<i>Schedule of Revenues, Expenditures, and Changes Fund Balances, Budget to Actual .....</i>	<i>116</i>
ADDITIONAL AUDITORS' REPORTS .....	117
STATISTICAL SECTION .....	123
<i>General Property Tax Levies and Collections .....</i>	<i>124</i>
<i>Net Assets by Component .....</i>	<i>125</i>
<i>Changes in Net Position.....</i>	<i>126</i>

American Fork City  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2015  
**TABLE OF CONTENTS**

<i>Fund Balances, Governmental Funds .....</i>	<i>128</i>
<i>Changes in Fund Balance, Governmental Funds.....</i>	<i>129</i>
<i>Assessed Value of Taxable Property .....</i>	<i>131</i>
<i>Overlapping Property Tax Rates.....</i>	<i>132</i>
<i>Principal Property Tax Payers.....</i>	<i>133</i>
<i>Property Taxes Levied and Collections.....</i>	<i>134</i>
<i>Taxable Sales by Category .....</i>	<i>135</i>
<i>Direct and Overlapping Sales Tax Rates .....</i>	<i>136</i>
<i>Sales Tax Payers by Industry .....</i>	<i>137</i>
<i>Charges for Water Fees .....</i>	<i>138</i>
<i>Charges for Sewer and Storm Drain .....</i>	<i>138</i>
<i>Ratios of Outstanding Debt by Type.....</i>	<i>139</i>
<i>Ratios of Outstanding Debt as a Percentage of Personal Income and Property Value .....</i>	<i>140</i>
<i>Direct and Overlapping Governmental Obligation Debt.....</i>	<i>141</i>
<i>Legal Debt Margin Information .....</i>	<i>142</i>
<i>Demographic and Economic Statistics.....</i>	<i>144</i>
<i>Full-Time Equivilant City Employees by Function/Program.....</i>	<i>145</i>
<i>Principal Employers.....</i>	<i>146</i>
<i>Operating Indicators by Function/Program.....</i>	<i>147</i>
<i>Capital Assets by Function/Program .....</i>	<i>148</i>
<i>Schedule of Insurance .....</i>	<i>149</i>
<b>COMPLIANCE REPORTS .....</b>	<b>150</b>
<i>Schedule of Expenditures of State Grants, Contracts and Loan Funds.....</i>	<i>151</i>



51 EAST MAIN, AMERICAN FORK, UT 84003 (801)763-3000 FAX 801-763-3004

## Introductory Section



December 12, 2015

To the Honorable Mayor, Members of the Governing Council, and the Citizens of American Fork City; State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of American Fork City for the fiscal year ended June 30, 2015.

This report consists of the management's representations concerning the finances of American Fork City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of American Fork City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of American Fork City's financial statements in conformity with GAAP (Generally Accepted Accounting Principles.) Because the cost of internal controls should not outweigh their benefits, American Fork City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

American Fork's financial statements have been audited by Gilbert & Stewart, Certified Public Accountants, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of American Fork City for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used, and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that American Fork City's financial statements for the fiscal year ended June 30, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. American Fork City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

American Fork City, incorporated in 1853, is located in the Northern region of Utah County, Utah. The City is situated approximately 28 miles from Salt Lake City, the capital of Utah. The City covers an area of approximately 9.43 miles.



The 2010 census indicated that American Fork City has a population of approximately 26,600 residents. American Fork City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

American Fork City has operated under the Mayor, Council form of government since incorporation. Policy-making and legislative authority are vested in a governing council consisting of a mayor and five councilpersons. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and providing “advice and consent” for the Mayor appointments.

The government’s administrator is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government. The Council is elected on a non-partisan basis. All Council members serve four-year terms. The Mayor is elected to a four-year term.

Once known as the “Hub of Utah County,” American Fork now views its mission as a “destination city.” American Fork City provides a full range of services, including police and fire protection; the construction and maintenance of city streets, water, sewer, storm drain, secondary irrigation and other services. Sanitation services are provided through a contractual arrangement with Allied Waste Services.

American Fork City Redevelopment Agencies and American Fork City Building Authority both act as legally separate agencies but function, in essence, as departments of American Fork City and therefore have been included as an integral part of American Fork City’s financial statements. The American Fork Redevelopment Agency (RDA) plays a pivotal role in revitalizing many areas throughout the City. The City’s building authority is the conduit whereby the City can finance major building projects. Additional information on these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for American Fork City’s financial planning and control. All agencies of American Fork City are required to submit requests for appropriation to the government’s budget officer annually. The Budget Officer and City Administrator review these requests; the requests serve as the starting point for developing a proposed budget. The government’s Budget Officer then presents the proposed budget to the council for review prior to the first regularly scheduled meeting in May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 22<sup>nd</sup> of the fiscal year. The appropriated budget is prepared by fund, function (i.e. public works), and department (i.e. engineering.)

Department heads may request transfers of appropriations within a department. Transfers of appropriations between departments and increases in departmental budget require the approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 78 as part of the basic financial statements for



the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 81.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which American Fork City operates.

**Local economy.** American Fork City currently has a mix of retail and light manufacturing. The City is climbing out of the recessionary period which proved to be hard on the City; significantly decreasing revenues and slowing the housing market. The City is currently seeing increases in sales tax revenues and increased interest in construction within the City.

Sales tax of the City is collected through the State. The State collects direct point of sale sales tax; the tax goes through an equation whereby the City receives directly one half of 1% of the direct point of sale, sales tax. The other half goes into a pool of sales tax and is re-distributed to all entities of the State based on population. The actual sales tax received by the City, because of the distribution formula, is less than 1%.

American Fork City successfully put on the ballot an option to assess an additional one-tenth percentage of sales tax that will be collected and used exclusively for parks, arts, recreation and cultural purposes. This new sales tax is entitled the PARC tax. The details of the revenues and expenditures of the PARC tax are maintained in the PARC tax fund.

Major industries with headquarters or divisions located within the government's boundaries or in close proximity include software manufacturers, pharmaceuticals, food manufacturers, and automobile retail. The City also has a large health-based component with the American Fork Hospital located within the City's boundaries.

Utah County, which includes American Fork City, has an employed labor force of approximately 189,634, average wages were \$786 per week; according to the United States Bureau of Labor Statistics (<http://www.bls.gov/ro7/qcewut.htm#table1>.) American Fork has an employed labor force of approximately 11,618. The current unemployment rate for the State of Utah is 3.5% as of June 2015 (<http://www.bls.gov/eag/eag.ut.htm>.)

**Long-term financial planning.** The governing council plans to develop an expanded regional park, near an existing regional park, "Art Dye Park." The City continues to look for funding options for the Art Dye Park development.

The City Council views the cemetery expansion as a primary issue. Last fiscal year, the City Council approved a loan from the cemetery perpetual care fund to the capital improvement fund to expand and develop additional cemetery space. This project is known as the "Memorial Gardens Cemetery."





Other projects for development include areas near the Utah Transit Authority, Front Runner train system. The developing area would be entitled “transit area development”. Several studies and proposals have been submitted to the Council with an intended “mixed-use-development” flavor, utilizing retail and residential features.

The City views the revitalization of the downtown as one of its core projects. The City has organized a board to look at ways to implement the “American Fork City Main Street Vision” to work on this issue.

Of major concern to the City is the maintenance and upkeep of the City road system. The City currently has approximately 112 lane-miles of road in the City. The current funding options for the upkeep and expansion of the road system are: B&C road funds, derived from a State-collected and distributed gas tax; impact fees, reserved for growth-related projects; and the road accrual fund, from property tax revenue, set aside for road improvements.

The City took forward a road bond proposition for inclusion on the November 2013 election ballot. The bond would have improved about 20% of the road system, with the infrastructure (water lines, sewer lines and storm drain system) below the roads. The proposition was not successful. The City is looking at other possible funding options.

The options the City has explored include: do nothing, increase property taxes, assess a road-utility fee, encourage the State to allow increased B&C gasoline tax assessments. These options are being studied by the City Council.

The City has conducted a water rate study on behalf of the water and sewer fund, which recommended rate adjustments to better meet operational and debt service financing for the secondary irrigation bonds. The first phase of the adopted rate adjustments took effect July 2012; scheduled rate increases were anticipated over five years. Fiscal year 2014-2015 represented the 3<sup>rd</sup> year of the rate structure.

The City is currently looking at the results of a sewer and storm rate study, to determine if/when utility rates from sewer and storm drain should be adjusted.

Impact fee rate studies have been conducted for water, sewer, transportation, fire and police impact fees. The storm drain impact fee study was conducted in 2015, the rates to be implemented beginning with fiscal year 2016.

Impact fees are assessed against new development to cover that portion of increased use on an existing system (water, storm drain, sewer, police services, transportation etc.) that should be borne by new growth. The theory being that the current capacity that is adequate for existing residents has already been paid for by existing residents.

**Other financial highlights, not otherwise discussed.** Debt retirement continues to be a priority for the City. In January 2015, the City refunded the RDA sales tax bonds. On June 11, 2015, the City refunded the 2007 secondary irrigation bonds.



The City continues to monitor opportunities for debt re-structuring and retirement. The City is currently looking at further refunding through the 2008 secondary irrigation bonds.

As mentioned above, the City has concentrated efforts in establishing accrual accounts to accumulate funds for major projects. Some of the accrual accounts set-up by the City include: vehicle replacement accrual, streets accrual, and the downtown development accrual.

The effects of a strong sales tax base in the City continues to be a contributing factor to the City's ability to maintain its financial equilibrium. Although past recessionary changes in the economy have had a distinct effect on the City, the City has been able to maintain a somewhat stable budget, without the drastic fluctuations we've seen in some of our sister-communities. The City is showing an increasing sales tax base and building-related fees are increasing. The City continues to seek opportunities for further expansion of the sales tax base through private/public projects such as economic development areas.

**Cash management policies and practices.** Cash not used in current operations is invested in the Public Treasurer's Investment pool (PTIF). Short-term deposits are held at local banking institutions. Some of the City's short-term bank accounts include: the general operating account, the payroll account, the ambulance revenue account and other small, special purpose accounts.

As mentioned above, the City receives funding for road improvements through the State's class C road fund program. The funds are allotted funds from gasoline fee collections. The allocation is based on road-miles and population of the City. It is the City's policy to use class C road funds for road improvements prior to the use of City allocations.

American Fork City's unemployment insurance participation is self-funded and the City pays into the program based on assessments and billings through State Unemployment system, and employee applications for unemployment.

**Risk Management.** American Fork City has initiated a limited risk management program in conjunction with the workers compensation program and insurance program. Training opportunities have been offered to City employees in areas of health maintenance and safe work environment training. Department-specific training is provided to employees to prevent risks associated as per industry standards.

The City has invested significant funds in two sewer cleaning and videoing machines which have significantly decreased the occurrence of sewer back-ups, and reduced City liability in this area. The City also seeks to repair sewer lines to remedy infiltration issues that are prevalent in the aging infrastructure. We've experienced significant decreases in payments to the Timpanogos Special Service District which processes sewer for the City.



The City has recently begun a proactive approach to tree trimming in City parks and City-owned properties to decrease the potential risk associated with tree related accidents. The City has also put specific focus on safety inspections of playground equipment.

**Pension and other postemployment benefits.** American Fork City participates in the Utah State Retirement Program for the City's employees. The Retirement System is an agent plan for the benefit of American Fork City employees, being managed by the Utah State Retirement program. American Fork City has no obligation in connection with employee benefits offered through this plan beyond regular contractual payments to the Utah State Retirement System.

This is the first year the City is implementing GASB 68 related to reporting the City's allocation portion of the unfunded liability balance of the Utah Retirement System.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to American Fork City for its comprehensive annual financial report for the fiscal year ended June 30, 2014. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the staff of the finance department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report, as well as the help and support of our auditors, Gilbert and Stewart, Certified Public Accountants.

Credit must also be given to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the American Fork City finances.

Respectfully submitted,

Cathy Jensen  
Finance/Budget Officer

Craig Whitehead  
City Administrator



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**American Fork City  
Utah**

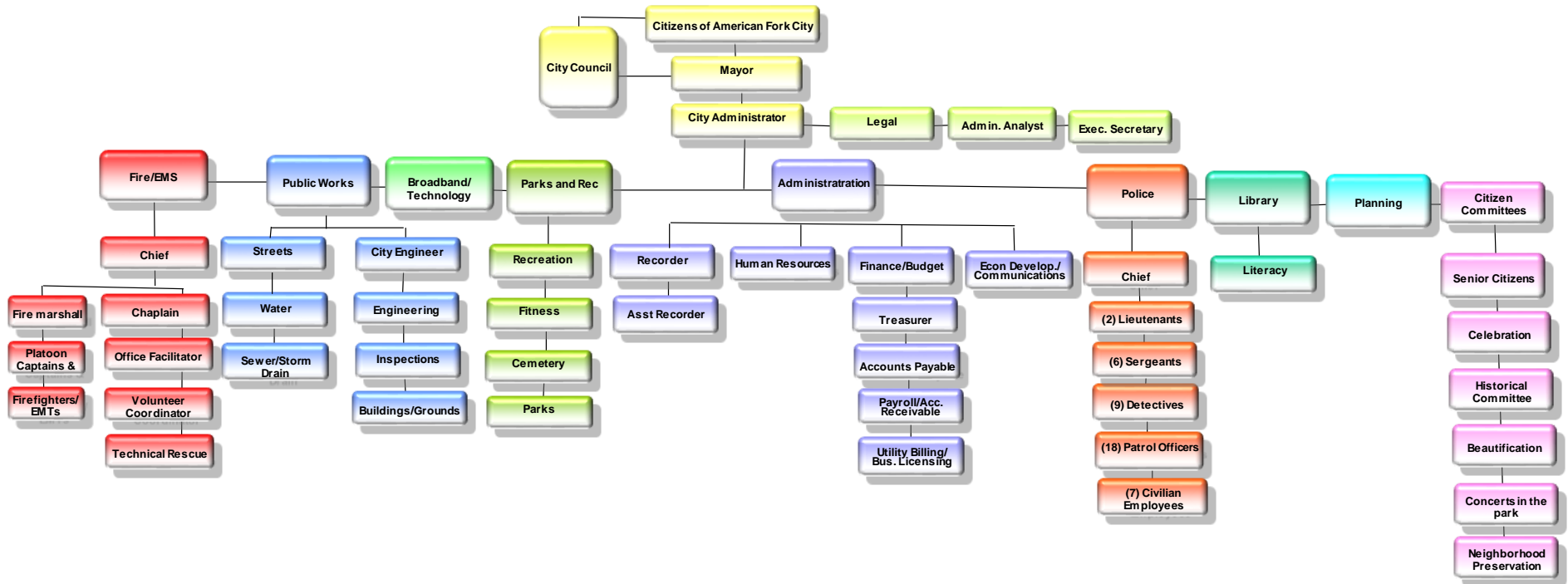
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is fluid and cursive.

Executive Director/CEO

# AMERICAN FORK CITY Organizational Chart





# American Fork City

## List of Elected and Appointed Officials

June 30, 2015

### Elected Officials

Mayor	James H. Hadfield
Council Member	Clark Taylor
Council Member	Brad Frost
Council Member	Rob Shelton
Council Member	Jeffrey Shorter
Council Member	Carlton Bowen

### Appointed Officials

City Administrator	Craig Whitehead
City Recorder	Richard Colborn
Deputy Recorder	Terilyn Lurker
City Treasurer (interim)	Amanda Durrant
Fire Chief	Kriss Garcia
Police Chief	Lance Call



## Financial Section



# GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS

A PROFESSIONAL CORPORATION

ESTABLISHED 1974

RANDEL A. HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H. PROBST, CPA  
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of City Council  
American Fork City, Utah

### **Report on the Basic Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the American Fork City, Utah (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control; accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015 and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 5. (H) to the financial statements, in 2015 the City adopted Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment to*



*GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—An Amendment of GASB Statement No. 68.* Our opinion is not modified with respect to this.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and the required supplementary information regarding pensions, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplemental information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, budgetary comparisons, and capital assets as listed as supplemental information in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, budgetary comparisons, and capital assets are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

## **Gilbert & Stewart**

GILBERT & STEWART, CPA, PC

Provo, Utah

December 12, 2015

**Page Intentionally Left Blank**



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of American Fork City, we offer readers of American Fork City's financial statements this narrative, discussion, overview and analysis of the financial activities of American Fork City for the fiscal year ended June 30, 2015.

### FINANCIAL HIGHLIGHTS

- The assets of American Fork City governmental activities exceeded the liabilities as of the close of the most recent year by \$88,383,499 (net position). Of this amount \$5,851,287 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- In the general fund, revenues exceeded expenditures by \$3,799,059, before inter-fund transfers.
- At the close of the fiscal year, the unassigned fund balance of the general fund totaled \$4,915,646; 23% of total general fund revenues as per the Utah State directed calculation. State statutes allow a maximum unassigned fund balance of 25% of total general fund revenues.
- Property Tax Revenue from a property tax increase in 2007 helped finance an accrual account for road projects; the City continues to fund this accrual account at a rate of \$500,000 per year.
- The City is in the process of researching alternative revenue sources for funding road maintenance and reconstruction. Possible alternatives include: Do nothing, increased B&C road fund rates through the State, a road utility fee, increased property taxes. Alternatives will be presented to the Council and they will make the final decisions as to appropriate funding options.
- Sales tax revenue received by the City, on a cash-basis for the period of July 2014 through June 2015 showed an increase of 7% over the same period in the previous year. This percentage is higher than the previous period (July 2013 through June 2014) which had a 5.5% increase from the previous period.

An analysis of sales tax over time, shows not only an increase in the amount of sales tax received, but also a significant increase in the number of sales tax filers. Please see the "sales tax revenue payers by industry" schedule in the statistical section of this report to view the detail.

- Sales tax revenue, a major operating revenue of the City, continues to be a prime concern. Economic events continue to be monitored, and conservative revenue projections continue to be employed to help prepare for possible further economic downturns of the economy. Current budgetary practices reflect this conservatism. Happily, actual sales tax revenues continue to out-pace budget.
- In March 2013, the City was able to defease the outstanding balance of debt service on the 2003 broadband bond. This had the effect of decreasing the fund balance in the broadband fund. However, it is hoped that now the largest liability in the broadband fund has been retired, operating revenue and further gains from the sale of fiber lines will help reduce/eliminate the negative fund balance in the broadband fund.
- The City issued refunding Sales Tax RDA bonds in January 2015 and refunding GO Secondary Irrigation bonds in June 2015 in an effort to continue to reduce the outstanding bond liabilities of the City. The City is currently exploring the option of refunding the 2008 secondary irrigation bond, in the anticipation of taking advantage of current low interest rates.
- The City began assessing the PARC (Parks, Arts, Recreation and Culture) tax that is assessed much like a sales tax at a rate of 1/10<sup>th</sup> of 1%. Fiscal Year PARC tax totaled \$206,437.11. These funds will be held in the PARC Tax fund. Allocations of the funds to qualifying grounds will be decided by the PARC committee.



## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS.** The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the assets and liabilities of the City, with the difference between the two reported as *net position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the City changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*.) The governmental activities of the City include general government and administration, public safety, public works, library and cemetery. The business-type activities of the City include Water and Sewer, and the Broadband.

Please refer to the table of contents for the location of the government-wide financial statements.

**FUND FINANCIAL STATEMENTS.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

**GOVERNMENTAL FUNDS.** *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between government funds and government activities.

The City maintains 11 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, debt service, capital projects, redevelopment agency and fitness center, all of which are considered to be major funds. Data from the other 7 funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.



The City's governmental funds are:

General Fund	Alpine Special Improvement Fund (Capital Projects Fund)
Debt Service Fund	Meadows Special Improvement Fund (Capital Projects Fund)
Redevelopment Agency	Fitness Center
Building Authority	PARC Tax
Capital Improvements Fund (Capital Projects Fund)	Broadband
Perpetual Care (Permeant Fund)	Downtown Redevelopment Fund

The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

A *Permanent fund* is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs; for the benefit of the government or its citizenry. The City's only permanent fund is the perpetual care fund, for the cemetery. These funds are restricted by legislative action (American Fork City Code 8.04.270). This code states that the corpus of the trust funds will stay intact in the trust; the interest portion of the cemetery revenue will be transferred to the general fund.

Please refer to the table of contents for the location of the basic governmental fund financial statements.

**PROPRIETARY FUNDS.** The City maintains one *proprietary fund* type. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and broadband funds.

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, sewer and broadband funds which are all considered to be major funds of the City.

**FIDUCIARY FUNDS.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for *proprietary funds*. The City does not hold any fiduciary funds.

**NOTES TO THE FINANCIAL STATEMENTS.** The *notes* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

**OTHER INFORMATION.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of American Fork City, assets exceed liabilities by \$144,478,353 (net position) at the close of fiscal year 2015.



An additional portion of the City's net position (approximately 4%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position \$12,695,313 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2015, the City is able to report positive balances in both categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

#### AMERICAN FORK CITY NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$19,204,793	\$20,675,714	\$12,145,245	\$11,485,809	\$31,350,038	\$32,161,523
Capital Assets (net)	90,266,995	83,091,253	91,508,332	90,788,142	181,775,327	173,879,395
Total assets	109,471,788	103,766,967	103,653,577	102,273,951	213,125,365	206,040,918
Deferred outflow of resources	718,150	51,218	636,219	-	1,354,369	51,218
Current liabilities outstanding	4,616,504	1,774,062	4,453,009	3,573,286	9,069,513	5,347,348
Long term liabilities	13,167,354	12,328,847	43,674,265	43,837,203	56,841,619	56,166,050
Total liabilities	17,783,858	14,102,909	48,127,274	47,410,489	65,911,132	61,513,398
Deferred inflow of resources	4,022,581	3,499,892	67,668	-	4,090,249	3,499,892
Net assets:						
Net investment in capital assets	77,235,965	71,127,403	48,696,089	47,049,142	125,932,054	118,176,545
Restricted	5,296,247	5,183,412	60,910	320,639	5,357,157	5,504,051
Unrestricted	5,851,287	9,904,569	7,337,855	7,493,681	13,189,142	17,398,250
Total net position	<u>\$88,383,499</u>	<u>\$86,215,384</u>	<u>\$56,094,854</u>	<u>\$54,863,462</u>	<u>\$144,478,353</u>	<u>\$141,078,846</u>

**GOVERNMENTAL ACTIVITIES.** Governmental activities increased the City's net position by \$2,168,115 over the previous year. The major contributor to this increase was a conservative budgeting in the governmental funds, including some personnel positions that weren't timely filled. Also, the City had increased tax revenues, increased grant funding for major capital road projects and increased charges for services

The City exercised prudent management in the capital outlay expenses. Funding for capital assets was geared to assets, such as the fire truck capital lease and the purchase of police vehicles. The City recognizes that continued restraint in the funding of capital assets will not be possible. We believe it is in the best interest of the City to maintain a fleet of well-performing assets. Primary concern exists for the future funding of improvements to infrastructure in areas such as streets and water/sewer lines.

As described in the introduction, the City continues to search for resources to fund cemetery property, sidewalk, road improvements, and sewer and water infrastructure. In the 2015 adopted operating budget, the City Council approved a loan from the perpetual care fund to the capital improvement fund to allow for significant expansion and improvements to the City cemetery.

Current sources of funds for road improvements include B&C road funds and the road accrual fund. The road accrual fund is made up of an annual allocation of property tax revenue. Impact fees are available for those road projects attributable to growth.

The City has contracted for and is currently in the process of conducting an impact fee study, to explore the option of assessing storm drain impact fees.

The City has conducted a water rate study to review water rates charged to citizens; the rate study was concluded in May 2012. The rate study suggested a scheduled increase of approximately 15% for residential water base rates the first year with smaller increases over the successive 5 years. Rate increases for commercial and secondary rates were also adopted.

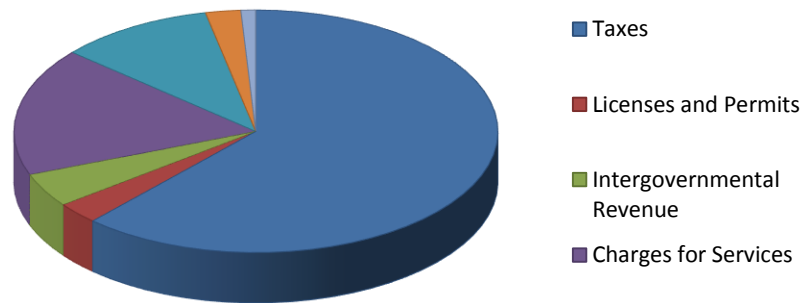


The City has undergone a study for storm drain rate adjustments, but the Council has decided that at this time, they will not implement the new rates.

The rate studies are necessary to meet the challenges of decreasing impacts fees and increasing expenditures related to bond debt service and capital infrastructure needs. The City currently is dealing with aging infrastructure and is looking for creative funding methods to alleviate that problem.

A visual representation of the revenues by source:

### **REVENUES BY SOURCE General Fund For Period Ending June 2015**

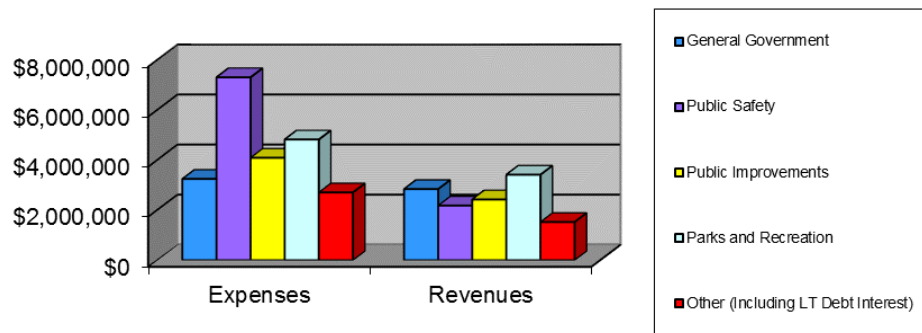


*Remainder of page intentionally left blank*



Expenses and Revenues for some program categories in governmental activities include the following:

**PROGRAM EXPENSES AND REVENUES**  
**Governmental Activities**  
**For Period Ending June 2015**



**AMERICAN FORK CITY**  
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 9,364,185	\$ 8,418,241	\$ 12,908,896	\$ 13,623,621	\$ 22,273,081	\$ 22,041,864
Grants and contributions						
Capital Grants	2,053,979	1,629,794	969,247	563,106	3,023,226	2,192,900
Operational Grants	973,579	-	-	-	973,579	-
General Revenues:						
Property taxes	5,833,877	5,606,622	-	-	5,833,877	5,606,622
Other taxes	8,883,748	8,411,281	-	-	8,883,748	8,411,281
Other	100,771	117,710	8,389	879,232	109,160	996,942
Total Revenues	27,210,139	24,183,648	13,886,532	15,065,959	41,096,671	39,249,609
Expenses:						
General government	22,172,602	20,756,122	-	-	22,172,602	20,756,122
Water and Sewer	-	-	11,475,488	11,385,465	11,475,488	11,385,465
Broadband	-	-	300,291	313,049	300,291	313,049
Total expenses	22,172,602	20,756,122	11,775,779	11,698,514	33,948,381	32,454,636
Increase in net position before transfers	5,037,537	3,427,526	2,110,753	3,367,445	7,148,290	9,259,043
Transfers	349,141	322,858	(349,141)	(322,858)	-	-
Increase in net position	\$ 5,386,678	\$ 3,750,384	\$ 1,761,612	\$ 3,044,587	\$ 7,148,290	\$ 9,259,043
Net Position-beginning	\$ 86,215,384	\$ 82,465,000	\$ 54,863,463	\$ 51,818,875	\$ 141,078,847	\$ 134,283,875
Restated net position	(3,218,563)	-	(530,221)	-	(3,748,784)	-
Net Position-ending	\$ 88,383,499	\$ 86,215,384	\$ 56,094,854	\$ 54,863,462	\$ 137,330,063	\$ 134,283,875

**BUSINESS-TYPE ACTIVITIES.** As shown above, the net position of Business-Type Activities totals \$56,094,854, which is approximately 42% of the City's total net assets.





## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**GOVERNMENTAL FUNDS.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the year, the American Fork City's governmental funds reported combined ending fund balances of \$13,597,073. This is the total of all governmental funds (General Fund, Capital Projects Funds, Debt Service, Fitness Center and all other non-major governmental funds.)

Approximately 37 percent of the governmental fund balance amount (\$4,984,368) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for encumbrances 2) to pay for debt service 3) to pay for capital projects 4) has already been expended for capital assets or the funds have been assigned for other purposes.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$4,915,646.

The year-to-year increase in the general fund balance (\$59,527) is primarily due to increased revenues such as sales tax. There is also a restatement of fund balance in the general fund was primarily to recognize a compensated absences adjustment made to bring the previous year balance to actual.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. In the case of the general fund, all of the fund balance is unassigned. The total fund balance as a ratio of expenditures represents approximately 28% of the total general fund expenditures before transfers out. After transfers from the general fund, the unassigned fund balance represents 23% of expenditures.

### Governmental Funds



Changes to other governmental funds, fund balance include: An increase in a new fund, the PARC Tax fund, which is the first year this fund has been established. The fund balance is \$206,437. This represents the PARC tax collected for the period of April 2015-August 2015. A decrease in RDA fund balance of \$342,892 which reflects a change in contract allocation of the EDA funds, which now includes interest payments and also increased costs associated with construction projects in the RDA areas. An increase in the celebration fund balance of \$48,265 reflects the celebration committee's change of talent at the celebration "Big Show" from a very large talent, to more local talent. The fitness center fund balance increased by \$26,052; this reflects the effort to lower costs and increase participants at the fitness center.

The 2013 fiscal year was the last year the City operated the Arts Council. Funding for the Arts Council will now come through the PARC tax committee, through an application process. The general government of the City will still oversee the City's Steel Days art show and the City's "Concerts in the PARC", a summer-weekly program where local talent performs at the City's amphitheater and residents can come and enjoy the summer talent.

The RDA fund is comprised of three redevelopment areas and one EDA (economic development area.)



Both the RDAs and EDAs generate revenue from property tax increment from both the City's portion of property tax and local taxing entities. The local taxing entities from the RDAs and EDAs are comprised of American Fork City, Nebo School District, Utah State School District, Utah County, Central Utah Water District and North Utah County Water District.

In the EDA, the City is governed by two main documents; an agreement to develop land with the developer of the EDA, who was incentivized to install infrastructure to bring economic development to the area; and by the EDA documents, which allows the City to draw other local taxing entities' property tax increment to be applied to EDA and targeted housing areas.

The original EDA document contained a budget limiting the amount of tax increment the City could draw from the EDA areas, the balance of increment was returned to the taxing entities.

The developer of the EDA petitioned the City to increase the "budget" or limit of taxing revenue received from the EDA area, thereby increasing his portion of reimbursement for the infrastructure and adding an interest component to the equation. The City and the taxing entities agreed to amend both the EDA documents and the ADL. This will have the effect of bringing additional funds into the RDA fund and allowing the City to do additional capital projects to develop the EDA area. This will have a significant impact on future fund balances of the RDA fund.

Significant economic development reimbursement agreements were approved with Woodbury Corporation and Young Living, whereby a portion of property and if applicable, sales tax, will be remitted to the companies, to encourage associated growth with their company's relocation to American Fork City.

**PROPRIETARY FUNDS.** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position, formerly called "net assets," of the respective proprietary funds are Water and Sewer \$57,806,143, and Broadband (\$1,711,289).

**Broadband.** The Broadband continues to carry negative net assets. The City is aware of this and has implemented a plan to gradually improve this situation.

The City retired the Broadband sales tax revenue bonds in April of 2013. The City has progressively sold off fiber lines, including the inner-City network, in an effort to divest itself from the operations of the broadband system. The City maintains several fiber strands that run from Salt Lake to Spanish Fork; a distance of approximately 46 miles.

The City, in addition to fiber "leases" to schools and private entities, has entered into several "IRUs" (Irrevocable rights of use). The IRUs are essentially "sale of assets" because the life of the IRUs exceeds the useful life of the fiber.

Funds received from the IRUs have been reserve-funded to accumulate enough funds to retire the broadband bonds.

The net effect of the use of reserved funds and the sale of the asset has been to reduce the net position of the broadband. The City is anticipating that the accumulation of lease revenues and continued contracts for IRUs will have the combined effect of bringing the net position in the broadband to a positive balance, over time. The position of the City in this has gained positive results.

**Water and Sewer.** In 2012 the City contracted for a rate study for City provided utility rates (culinary and secondary irrigation water.) Since that time, on an annual basis, the City has raised water rates in accordance with that study. The two primary purposes of the rate increases was to generate significant revenue to meet debt service obligations for the 2007 and 2008 secondary irrigation bonds and make improvements to the City's aging utility infrastructure. Fiscal year 2015 reflects the third of a five step increase in water rates.

**BUDGETARY HIGHLIGHTS.** The difference between the original budget and the final amended budget was a net increase of \$3,468,700 City-wide.



In making budgetary adjustments where possible, individual departmental budgets were examined to look for excess budget. The City continues to re-evaluate revenue streams and adjust expenditures throughout the fiscal year. Departments continue to be innovative in looking at ways to adjust their budgetary expenditures, to save money.

The majority of the adjustments made in the general fund were related to operational expenses, with an offsetting increase to some revenues such as sales tax revenue. Some changes in the budget may be summarized as follows:

\$533,300 increase in the general fund was due mainly to re-allocation of budget and adjustments for increased operational revenues, re-allocation of wages and a variety of operational expenses throughout the departments in the general fund. Some of these include:

- Tax revenue exceeded original budget in several areas. Among these areas, significant increases include:
  - senior citizen revenues \$163,000,
  - fines and forfeitures \$75,100,
  - a transfer from the water and sewer funds to recognize the general funds offset to the utility services provided by the utility fund; \$295,200.

Combined, these adjustments were able to offset many of the general fund adjustments. Total adjustments in the original budget, to arrive at the final budget total. An increase of \$533,300.

- Other areas of expenditures that exceeded original budget include: Legislative budget, which reflects an adjustment of benefits given through an optional benefit package (\$18,000.)
- The Public works supplies account (\$5,000).
- The required utility expense required to cover the services provided by the utility fund by general fund buildings and grounds.
- The engineering fund had an increase of \$20,500 to cover the additional cost associated with the utilization of interns in the engineering division who are involved with mapping assignments.
- \$129,400 was increased in the streets department to reflect additional street light improvements that were paid for by developers, but not fully recognized in the expense side of the budget.
- The Senior Citizens budget was increased \$63,000 to reflect additional expenses associated with booking their checking account activities.
- Cemetery department expenses increased \$59,200 associated with the payment of principal and interest associated with the perpetual care loan which funded the cemetery expansion project.
- The Capital Improvement budget was increased \$1,487,800 primarily to reflect expenses associated with 900 west construction, a grant-funded project.
- The water and Sewer fund was increased \$210,800 primarily to recognize the transaction associated with charging utility fees to the governmental departments.
- The Fitness Center fund was increased to reflect increased operational expenses, offset by increased revenues; and, the utility charge to be paid to the utility fund.

**BUDGETARY HIGHLIGHTS.** Traditionally, American Fork City has striven to conduct the budget in a fiscally conservative manner, both for Revenues and Expenditures. The final budget variance for total revenues of the general fund, over amended budget was approximately 6% positive; the final budget variance for general fund expenditures was about 5.5% positive.

The most significant item that can be identified as a fiscal variance was sales tax, which was about 5.6% higher than anticipated after July and August revenue was received.

Much of the expenditure's positive variance can be identified by budgeted positions that were not filled during the fiscal period.



The significant variance in the “Transfers in” is due to the budgeted “Use of beginning fund balance” that is used to balance the budgetary funds. This use of fund balance was not necessary in the actual transactions of the City, due to the increase in revenue.

**American Fork City**  
**Variances between Final Amended Budget and Actual Results**  
**General Fund**

	Budgeted Amounts		Final Budget Favorable (Unfavorable)
	Final	Actual	
<b>Revenues (inflows)</b>			
Taxes	\$ 12,435,200	\$ 13,202,516	\$ 767,316
License and permits	505,600	615,566	109,966
Intergovernmental	921,700	973,579	51,879
Charges for services	3,724,000	3,652,448	(71,552)
Other fees and services	1,857,200	2,025,026	167,826
Cemetery fees	115,900	194,468	78,568
Fines and forfeitures	430,500	505,283	74,783
Miscellaneous	89,000	163,107	74,107
Interest income	30,000	47,453	17,453
Total revenues	20,109,100	21,379,446	1,270,346
<b>Expenditures (outflows)</b>			
General government	3,724,500	3,299,609	424,891
Public safety	7,440,300	7,294,729	145,571
Public improvements	2,696,900	2,505,941	190,959
Parks and recreation	2,349,400	2,191,639	157,761
Other	2,397,400	2,288,467	108,933
Total expenditures	18,608,500	17,580,385	1,028,115
<b>Other Financing Sources and Uses</b>			
Transfers in	2,530,800	280,690	2,250,110
Transfers out	(4,031,400)	(4,020,222)	(11,178)
Total Other Financing Sources/Uses	(1,500,600)	(3,739,532)	2,238,932
Excess (deficiency) of revenues over expenditures	-	59,529	(59,529)

## CAPITAL ASSET AND DEBT ADMINISTRATION

**CAPITAL ASSETS.** The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities and procuring equipment necessary for providing programs for the citizens of the City.

Major capital asset expenditures include the fire truck capital lease, the purchase of police vehicles, and expenditures on City infrastructure (roads, water, sewer, secondary irrigation).

The City has elected to use the modified approach to account for its infrastructure assets such as roads and bridges. As allowed by GASB Statement No. 34, Basic Financial Statements - and Management’s Discussion and Analysis – for State and Local Governments, the City has adopted the “modified approach” for reporting costs associated with certain infrastructure assets. The City capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.



The average remaining service life (RSL) for American Fork City roads, as assessed through the annual road inventory system of the road is 16 years. The desired RSL for roads in American fork City is 12 years or greater. The average RSL has been increased over previous years due to the significant investment in new road projects such as 900 West, which has raised the average life for the entire City. The City is still looking at alternatives for future funding to increase the RSL for the rest of the road system.

Some of the alternatives for future funding the road system include: do nothing, increased B&C road funds, a road system utility fee, increases in property taxes, grants and inter-local agreements. These funding alternatives will be decided by the American Fork City Council.

During the proposed bond presentations, it was estimated that it would cost over \$22 million to bring a small portion of the road system to a maintainable level.

A primary concern of the City is the maintenance and upkeep of the City road system. Utah has dramatic seasonal changes with significant freezing/thawing and high temperatures. These climate conditions shorten the lives of roads.

The goal of the City is to find future funding of at least \$2 million dollars per year to contribute to the road system. This will not be possible however, without alternative financing method other than general fund revenues (impact fees, B&C road funds, property taxes and sales taxes.)

Further information about the City's modified approach can be found in the Required Supplementary Information section of the financial statements.

*Remainder of page intentionally left blank*



An analysis of the City's capital assets is as follows:

### American Fork City Capital Assets

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Land</b>	\$25,653,257	\$25,653,257	\$765,003	\$765,003	\$26,418,260	\$26,418,260
<b>Infrastructure</b>	35,898,051	32,615,351	-	-	35,898,051	32,615,351
<b>Buildings &amp; Improvements</b>	38,420,576	37,501,520	102,399,547	99,729,918	140,820,123	137,231,438
<b>Equipment</b>	9,536,605	9,095,252	1,983,667	1,909,840	11,520,272	11,005,092
<b>Construction in progress</b>	1,270,911	-	-	-	1,270,911	-
<b>Accumulated Depreciation</b>	(23,545,415)	(21,774,127)	(32,802,533)	(30,297,373)	(56,347,948)	(52,071,500)
<b>Water Stock</b>	-	-	19,101,234	18,680,754	19,101,234	18,680,754
<b>Total</b>	<u>\$87,233,985</u>	<u>\$83,091,253</u>	<u>\$91,446,918</u>	<u>\$90,788,142</u>	<u>\$178,680,903</u>	<u>\$173,879,395</u>

Readers desiring more detailed information on capital asset activity can refer to note 6 of the financial statements.

## LONG-TERM DEBT

At the end of the current year, the City had total bonded debt outstanding of \$52,301,002. The debt represents both general obligation bonds and revenue bonds secured solely by specified revenue sources (i.e. revenue bonds.)

An additional outstanding debt is represented below in capital leases of \$429,016. These leases are primarily for public safety (police and fire) and streets (dump truck.)

### American Fork City Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>
<b>G.O. Bonds</b>	\$8,398,000	\$6,868,000	\$42,970,000	\$41,995,000	\$51,368,000	\$48,863,000
<b>Revenue Bonds</b>	3,109,780	2,701,001	769,000	737,000	3,878,780	3,438,001
<b>Capital Lease</b>	391,513	318,923	-	-	391,513	318,923
<b>Total</b>	<u>\$11,899,293</u>	<u>\$9,887,924</u>	<u>\$43,739,000</u>	<u>\$42,732,000</u>	<u>\$55,638,293</u>	<u>\$52,619,924</u>

State statutes (Utah State Constitution, Article XIV, Section 4) limit the amount of general obligation debt a governmental entity may issue to 12 percent of its total fair market value of taxable property in the City; 4 percent for general obligation debt, and an additional 8 percent for water, light or sewer.

The current fair market value of the taxable property in the City is \$ 2,403,307,000. The current debt limitation for the City is \$239,534. American Fork City has general obligation debt of \$48,863,000.

Additional information on the long-term debt obligations of the City can be found in note 8.



**Legal Debt Margin Calculation**  
**Fiscal Year Ending June 2015**

(dollars in thousands)

Assessed value	\$ 2,403,307
Debt limit (12% of assessed value)	288,397
Debt applicable to limit:	
General obligation bonds	48,863
Total net debt applicable to limit	<u>\$ 48,863</u>
Legal debt margin	<u><u>\$ 239,534</u></u>

Additional information on the City's long-term debt can be found in the notes to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

- American Fork City is located in Utah County. The unemployment rate for Utah County as of June 2015 was 3.6%. This rate is less than the reported US unemployment rate at that time of 5%, as provided by the Utah Department of Workforce Services. (<https://jobs.utah.gov/wi>.)
- There are approximately 150 acres of commercial property that continues to be developed in American Fork City. This development provides new sales and property tax to the City. The City actively encourages new development. The City also has implemented a "shop local" campaign to encourage residents to retain their tax dollars in the City.
- The City continues to exercise conservatism with regards to expenditures, employee compensation, capital improvements and capital assets. City administration continues to exercise creative ways to preserve as well as step up maintenance for assets and infrastructure. Some of the techniques the City uses for repairs and improvements of infrastructure include: street resurfacing, in-house repairs of culinary water and sewer line repairs and alternative funding sources such as grants and Federal funding.
- One of the major budget issues on the horizon for the City is the implementation of the Affordable Care Act. The City continues to weigh the effects of the new legislation and find ways to adhere to its strictures.

**REQUESTS FOR INFORMATION.** The financial report is designed to provide a general overview of American Fork City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to American Fork City, Finance Officer, 51 East Main Street, American Fork City, Utah 84003.



## Basic Financial Statements



**AMERICAN FORK CITY**  
**Statement of Net Position**

June 30, 2015

	Primary Government		
	Governmental	Business-type	
	Activities	Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 12,621,397	\$ 9,895,936	\$ 22,517,333
Receivables (net of allowance)			
Accounts	1,127,014	1,208,202	2,335,216
Intergovernmental	196,853	-	196,853
Taxes	5,309,282	-	5,309,282
Other	-	953,107	953,107
Internal balances	(88,000)	88,000	-
Inventory	38,247	-	38,247
Restricted cash and cash equivalents	2,927,764	60,910	2,988,674
Net Pension Asset	105,246	504	105,750
Capital assets (net of accumulated depreciation):			
Land	24,926,328	765,003	25,691,331
Land Right of Way	726,929		726,929
Water stock	-	19,101,234	19,101,234
Buildings and improvements	38,420,576	102,399,547	140,820,123
Equipment	9,536,605	1,983,667	11,520,272
Infrastructure	35,898,051	-	35,898,051
Construction in progress	1,270,911	-	1,270,911
Accumulated depreciation	(23,545,415)	(32,802,533)	(56,347,948)
Total assets	<u>109,471,788</u>	<u>103,653,577</u>	<u>213,125,365</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Bonding refunding cost	41,005	525,728	566,733
Pension Related	677,145	110,491	787,636
Total deferred outflow of resources	<u>718,150</u>	<u>636,219</u>	<u>1,354,369</u>
<b>LIABILITIES</b>			
Outstanding checks in excess of deposits	-	3,166,906	3,166,906
Accounts payable and accrued liabilities	1,977,804	694,064	2,671,868
Accrued salaries, wages and benefits	339,925	43,867	383,792
Deposits	2,263,676	212,646	2,476,322
Due to other entities	-	45,634	45,634
Bond interest payable	35,099	289,892	324,991
Long term liabilities			
Due within one year	2,300,543	1,651,932	3,952,475
Due in more than one year	10,866,811	42,022,333	52,889,144
Total liabilities	<u>17,783,858</u>	<u>48,127,274</u>	<u>65,911,132</u>
<b>DEFERRD INFLOW OF RESOURCES</b>			
<b>NET POSITION</b>			
Unearned property taxes levied for future yeears	3,477,259	-	3,477,259
Pension Related	545,322	67,668	612,990
Total deferred outflows of resources	<u>4,022,581</u>	<u>67,668</u>	<u>4,090,249</u>
Net investment in capital assets	77,235,965	48,714,918	125,950,883
Restricted			
Impact fees	2,924,396	60,910	2,985,306
Non-Expendable	541,967	-	541,967
Redevelopment	1,829,884	-	1,829,884
Unrestricted	5,851,287	7,319,026	13,170,313
Total net position	<u>\$ 88,383,499</u>	<u>\$ 56,094,854</u>	<u>\$ 144,478,353</u>

See accompanying notes to the financial statements.

**AMERICAN FORK CITY**  
**Statement of Activities**  
For the Year Ended June 30, 2015

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 3,246,024	\$ 2,842,021	\$ -	\$ -	\$ (404,003)	\$ -	\$ (404,003)
Public safety	7,307,342	1,916,989	110,106	155,911	(5,124,336)		(5,124,336)
Public improvements	4,091,567	-	855,895	1,571,182	(1,664,490)		(1,664,490)
Parks and recreation	4,821,504	3,088,685	-	326,886	(1,405,933)		(1,405,933)
Other	2,286,097	1,516,490	7,578	-	(762,029)		(762,029)
Interest on long-term debt	420,068	-	-	-	(420,068)		(420,068)
Total governmental activities	<u>22,172,602</u>	<u>9,364,185</u>	<u>973,579</u>	<u>2,053,979</u>	<u>(9,780,859)</u>		<u>(9,780,859)</u>
Business-type activities:							
Sewer and water	11,475,488	12,677,709	-	969,247	-	2,171,468	2,171,468
Broadband	300,291	231,187	-	-	-	(69,104)	(69,104)
Total business-type activities	<u>11,775,779</u>	<u>12,908,896</u>	<u>-</u>	<u>969,247</u>	<u>-</u>	<u>2,102,364</u>	<u>2,102,364</u>
	<u>\$ 33,948,381</u>	<u>\$ 22,273,081</u>	<u>\$ 973,579</u>	<u>\$ 3,023,226</u>	<u>(9,780,859)</u>	<u>2,102,364</u>	<u>(7,678,495)</u>
General revenues:							
Property taxes					\$ 5,833,877	\$ -	\$ 5,833,877
General sales and use tax					6,548,967	-	6,548,967
Energy taxes					1,764,609		1,764,609
Franchise taxes					570,172	-	570,172
Gain (loss) on sale/retirement of assets					(18,270)	-	(18,270)
Interest earnings					119,041	8,389	127,430
Transfers					349,141	(349,141)	-
Total general revenues					<u>15,167,537</u>	<u>(340,752)</u>	<u>14,826,785</u>
Change in net position					5,386,678	1,761,612	7,148,290
Net position - beginning					86,215,384	54,863,463	141,078,847
Retated net position					(3,218,563)	(530,221)	(3,748,784)
Net position - ending					<u>\$ 88,383,499</u>	<u>\$ 56,094,854</u>	<u>\$ 144,478,353</u>

See accompanying notes to the financial statements.

**AMERICAN FORK CITY**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2015**

	General Fund	Capital Projects	Debt Service	Special Revenue Fitness Center	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,801,320	\$ 3,519,940	\$ 937,496	\$ 340,491	\$ 2,022,150	\$ 12,621,397
Receivables (net):						
Accounts	959,474	-	-	-	167,540	1,127,014
Taxes	5,309,282	-	-	-	-	5,309,282
Intergovernmental	-	196,853	-	-	-	196,853
Due from other funds	-	-	-	-	80,150	80,150
Note Receivable-interfund	-	-	-	-	496,082	496,082
Inventory	22,289	-	-	12,509	3,449	38,247
Restricted cash		2,927,764	-	-	-	2,927,764
Total assets	<u>\$ 12,092,365</u>	<u>\$ 6,644,557</u>	<u>\$ 937,496</u>	<u>\$ 353,000</u>	<u>\$ 2,769,371</u>	<u>\$ 22,796,789</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Outstanding checks in excess of deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	582,842	1,322,917	-	61,831	10,055	1,977,645
Accrued salaries, wages and benefits	302,543	-	-	37,382	-	339,925
Accrued compensated absences	317,216	-	-	6,730	-	323,946
Note Payable-interfund	-	496,082	-	-	-	496,082
Due to other funds	80,150	88,000	-	-	-	168,150
Due to other entities	160	-	-	-	-	160
Deposits	2,263,676	-	-	-	-	2,263,676
Total liabilities	<u>3,546,587</u>	<u>1,906,999</u>	<u>-</u>	<u>105,943</u>	<u>10,055</u>	<u>5,569,584</u>
Deferred inflow of resources						
Unearned Property Tax-levied for future years	3,630,132	-	-	-	-	3,630,132
Unavailable property taxes-delinquent	0	-	-	-	-	-
Total liabilities	<u>3,630,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,630,132</u>
Fund Balances:						
Permanently Restricted For:						
Perpetual care	-	-	-	-	541,967	541,967
Redevelopment	-	-	-	-	1,829,884	1,829,884
Impact fees	-	2,924,396	-	-	-	2,924,396
Assigned for:						
Capital projects	-	1,813,162	-	-	-	1,813,162
Debt service fund	-	-	937,496	-	-	937,496
Municipal Building	-	-	-	-	824	824
Special revenue funds	-	-	-	247,057	317,919	564,976
Unassigned	4,915,646	-	-	-	68,722	4,984,368
Total fund balances	<u>4,915,646</u>	<u>4,737,558</u>	<u>937,496</u>	<u>247,057</u>	<u>2,759,316</u>	<u>13,597,073</u>
Total liabilities, deferred inflow of resource	<u>\$ 12,092,365</u>	<u>\$ 6,644,557</u>	<u>\$ 937,496</u>	<u>\$ 353,000</u>	<u>\$ 2,769,371</u>	<u>\$ 22,796,789</u>

*See accompanying notes to the financial statements.*

**AMERICAN FORK CITY**  
**Balance Sheet Reconciliation to Statement of Net Assets**  
June 30, 2015

Total fund balances - governmental fund types: \$ 13,597,074

Amounts reported for governmental activities in the statement of net assets are different because

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets cost	\$ 110,779,400	
Net of accumulated depreciation	<u>(23,545,415)</u>	87,233,985

Long term assets are not available to pay for current period expenditures and, therefore are deferred in the governmental fund statements.

Delinquent property taxes		152,873
---------------------------	--	---------

Net pension assets and deferred outflows of resources related to pensions are not available financial resources and are not reported in the governmental funds		782,391
----------------------------------------------------------------------------------------------------------------------------------------------------------------	--	---------

Interest payable, but not yet due, on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the governmental fund statements.

Interest payable		(35,099)
------------------	--	----------

Deferred inflows of resources related to pensions do not require current financial resources and are not reported in the governmental funds		(545,322)
---------------------------------------------------------------------------------------------------------------------------------------------	--	-----------

Long-term liabilities, including bonds payable, are not due and payable in the current period and are not included in the governmental fund statements.

Deferred loss on refunding (net of amortization)	41,005	
Due in one year	(2,300,543)	
Due in more than one year	<u>(10,542,865)</u>	<u>(12,802,403)</u>

Net assets of government activities		<u>\$ 88,383,499</u>
-------------------------------------	--	----------------------

**AMERICAN FORK CITY**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	General <u>Fund</u>	Capital <u>Projects</u>	Debt <u>Service</u>	Special Revenue Fitness <u>Center</u>	Nonmajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>REVENUES</b>						
Taxes	\$ 13,202,516	\$ -	\$ -	\$ -	\$ 1,296,949	\$ 14,499,465
Licenses and permits	615,566	-	-	-	-	615,566
Intergovernmental	973,579	854,840	-	-	-	1,828,419
Charges for services	3,652,448	-	-	-	137,986	3,790,434
Other fees and services	2,219,492	-	-	2,022,906	207,912	4,450,310
Fines and forfeitures	505,283	-	-	-	-	505,283
Impact fees	-	1,080,634	-	-	-	1,080,634
Miscellaneous	163,107	85,559	-	-	-	248,666
Interest income	47,453	25,500	1,665	559	43,865	119,042
Total revenues	<u>21,379,444</u>	<u>2,046,533</u>	<u>1,665</u>	<u>2,023,465</u>	<u>1,686,712</u>	<u>27,137,819</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,299,609	-	-	-	-	3,299,609
Public safety	7,294,729	-	-	-	-	7,294,729
Public improvements	2,505,941	-	-	-	1,009,325	3,515,266
Parks and recreation	2,191,639	-	-	2,416,571	107,721	4,715,931
Other	2,288,467	-	40,204	-	1,600	2,330,271
Debt service:						
Principal retirement	-	278,377	3,622,778	-	-	3,901,155
Interest and fiscal charges	-	27,889	336,251	-	87,554	451,694
Capital Outlay						
General government	-	167,013	-	-	-	167,013
Public safety	-	502,349	-	-	-	502,349
Public improvements	-	285,197	-	-	-	285,197
Parks and recreation	-	363,288	-	-	-	363,288
Other	-	3,761,367	-	-	-	3,761,367
Total expenditures	<u>17,580,385</u>	<u>5,385,480</u>	<u>3,999,233</u>	<u>2,416,571</u>	<u>1,206,200</u>	<u>30,587,869</u>
Excess revenues over (under) expenditures	<u>3,799,059</u>	<u>(3,338,947)</u>	<u>(3,997,568)</u>	<u>(393,106)</u>	<u>480,512</u>	<u>(3,450,050)</u>
<b>Other Financing Sources (Uses)</b>						
Issuance of capital lease	-	251,350	-	-	-	251,350
Issuance of Refunding Bond	-	-	1,684,000	-	-	1,684,000
Transfers in	280,690	2,059,822	2,380,100	419,158	60,700	5,200,470
Transfers out	(4,020,222)	(265,400)	-	-	(565,707)	(4,851,329)
Total other financing sources and uses	<u>(3,739,532)</u>	<u>2,045,772</u>	<u>4,064,100</u>	<u>419,158</u>	<u>(505,007)</u>	<u>2,284,491</u>
Net change in fund balance	59,527	(1,293,175)	66,532	26,052	(24,495)	(1,165,559)
Fund balances - beginning of year	5,085,476	6,030,734	870,964	249,343	2,783,811	15,020,328
Restatement of Fund Balance	(229,359)	-	-	-	-	(229,359)
Fund balances - end of year	<u>\$ 4,915,644</u>	<u>\$ 4,737,559</u>	<u>\$ 937,496</u>	<u>\$ 275,395</u>	<u>\$ 2,759,316</u>	<u>\$ 13,625,411</u>

See accompanying notes to the financial statements.

**AMERICAN FORK CITY**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Reconciliation to Statement of Activities**  
June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net changes in fund balances - total governmental funds	\$ (1,165,559)
---------------------------------------------------------	----------------

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset acquisitions	\$ 5,998,183	
Current year depreciation	<u>(1,867,744)</u>	4,130,439

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase (decrease) net position.

Capital contributions	30,563	
Cost of assets sold	<u>(18,270)</u>	12,293

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Delinquent Property Taxes	11,721
---------------------------	--------

The issuance of long-term debt ( e.g. bonds, leases, ) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond and lease principal payments	3,901,180	
Refunding bond proceeds	(1,684,000)	
Lease Proceeds	(251,350)	
Deferred charge on refunding	<u>(10,213)</u>	1,955,617

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued compensated absences	(58,037)	
Pension related expenses	458,365	
Accrued interest payable	<u>41,838</u>	<u>442,166</u>

Change in net assets of governmental activities	<u>\$ 5,386,677</u>
-------------------------------------------------	---------------------

**AMERICAN FORK CITY**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2015**

	Business-Type Activities - Enterprise		
	Sewer and Water Fund	Broadband Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,700,115	\$ 195,821	\$ 9,895,936
Accounts receivable - net of allowance	1,152,162	56,040	1,208,202
Note receivable - current portion	5,898	500,000	505,898
Due from other funds	88,000	-	88,000
Total current assets	<u>10,946,175</u>	<u>751,861</u>	<u>11,698,036</u>
Noncurrent assets:			
Note receivable - long-term	447,209	-	447,209
Net Pension Asset	504	-	504
Capital assets			
Land	765,003	-	765,003
Water stock	19,101,234	-	19,101,234
Buildings and improvements	101,194,570	1,204,977	102,399,547
Machinery and equipment	1,816,014	167,653	1,983,667
Less: accumulated depreciation	(32,199,787)	(602,746)	(32,802,533)
Total capital assets	<u>91,124,747</u>	<u>769,884</u>	<u>91,447,422</u>
Restricted cash and cash equivalents	60,910	-	60,910
Total noncurrent assets	<u>91,185,657</u>	<u>769,884</u>	<u>91,955,541</u>
Total assets	<u>102,131,832</u>	<u>1,521,745</u>	<u>103,653,577</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Bonding refunding cost	525,728	-	525,728
Pension Related	97,079	13,412	110,491
Total deferred outflow of resources	<u>622,807</u>	<u>13,412</u>	<u>636,219</u>
<b>LIABILITIES</b>			
Current liabilities:			
Outstanding checks in excess of deposits	-	3,166,906	3,166,906
Accounts payable and accrued expenses	693,424	640	694,064
Accrued salaries and benefits payable	38,379	5,488	43,867
Due to other entities	45,634	-	45,634
Bond interest payable	289,892	-	289,892
Long-term debt, current portion	1,592,000	-	1,592,000
Compensated absences	54,996	4,936	59,932
Total current liabilities	<u>2,714,325</u>	<u>3,177,970</u>	<u>5,892,295</u>
Noncurrent liabilities:			
Customer deposits	212,646	-	212,646
Net Pension Liability	414,522	56,977	471,499
Long-term debt	41,516,588	-	41,516,588
Compensated absences	30,924	3,322	34,246
Total noncurrent liabilities	<u>42,174,680</u>	<u>60,299</u>	<u>42,234,979</u>
Total liabilities	<u>44,889,005</u>	<u>3,238,269</u>	<u>48,127,274</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension Related	59,491	8,177	67,668
Total deferred outflow of resources	<u>59,491</u>	<u>8,177</u>	<u>67,668</u>
<b>NET POSITION</b>			
Net investment in capital assets	47,945,033	769,884	48,714,917
Restricted - capital projects	60,910	-	60,910
Unrestricted	9,800,200	(2,481,173)	7,319,027
Total net position	<u>\$ 57,806,143</u>	<u>\$ (1,711,289)</u>	<u>\$ 56,094,854</u>

**AMERICAN FORK CITY**  
**Proprietary Funds**  
Statement of Revenues, Expenditures and Changes in Fund Net Position  
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer and Water Fund	Broadband Fund	Total
<b>Operating revenues</b>			
Water charges and fees	\$ 6,191,859	\$ -	\$ 6,191,859
Sewer charges and fees	5,708,465	-	5,708,465
Internet and connection fees	-	231,187	231,187
Other income	777,385	-	777,385
Total operating revenues	12,677,709	231,187	12,908,896
<b>Operating expenses</b>			
Salaries, wages and employee benefits	1,380,615	201,606	1,582,221
Materials and supplies	451,720	39,974	491,694
Utilities and telephone	7,629	1,732	9,361
Professional and technical	268,642	9,605	278,247
Timpanogos Special Service District	2,543,353	-	2,543,353
Water assessment fees	543,031	-	543,031
Other	1,619,265	-	1,619,265
Depreciation	2,482,785	47,374	2,530,159
Total operating expenses	9,297,040	300,291	9,597,331
Operating income	3,380,669	(69,104)	3,311,565
<b>Nonoperating revenues (expenses)</b>			
Grant Revenue	251,166	-	251,166
Interest income	7,391	998	8,389
Bond interest expense	(2,178,448)	-	(2,178,448)
Total nonoperating revenues (expenses)	(1,919,891)	998	(2,170,059)
Net income (loss) before contributions and transfers	1,460,778	(68,106)	1,392,672
<b>Contributions and transfers</b>			
Capital contributions	30,226	-	30,226
Impact Fees	687,855	-	687,855
Transfers out	(349,141)	-	(349,141)
Total contributions and transfers	368,940	-	368,940
Change in net position	1,829,718	(68,106)	1,761,612
Total net position - beginning	55,976,425	(1,643,183)	54,333,242
Total net position - ending	\$ 57,806,143	\$ (1,711,289)	\$ 56,094,854



## AMERICAN FORK CITY

### Proprietary Funds

#### Statement of Cash Flows

For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer and Water	Broadband	Total BTAs
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 12,425,380	\$ 184,629	\$ 12,610,009
Payments to suppliers	(4,982,488)	(64,138)	(5,046,626)
Payments to employees	(1,436,335)	(214,197)	(1,650,532)
Net cash provided (used) by operating activities	6,006,557	(93,706)	5,912,851
<b>Cash Flows From Noncapital Financing Activities</b>			
Change in outstanding checks in excess of deposits		98,536	98,536
Cash paid to other funds	(349,141)	-	(349,141)
Net cash provided (used) by noncapital financing activities	(349,141)	98,536	(250,605)
<b>Cash Flows From Capital and Related Financing Activities</b>			
Cash received for impact fees	687,855	-	687,855
Capital Grant	251,166	-	251,166
Acquisition of capital assets	(3,152,981)	(5,828)	(3,158,809)
Principal paid on capital debt	(8,027,000)	-	(8,027,000)
Interest paid on capital debt	(2,069,068)	-	(2,069,068)
Net cash provided (used) by capital and related financing activities	(5,439,168)	(5,828)	(5,444,996)
<b>Cash Flows From Investing Activities</b>			
Interest and dividends received	7,391	998	8,389
Net cash provided (used) by investing activities	7,391	998	8,389
Net increase (decrease) in cash and cash equivalents	225,639	-	225,639
Cash and cash equivalents - beginning	9,535,386	-	9,535,386
Cash and cash equivalents - ending	\$ 9,761,025	\$ -	\$ 9,761,025

**AMERICAN FORK CITY**  
**Proprietary Funds**  
Statement of Cash Flows (*Continued*)  
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer and Water	Broadband	Total BTAs
(Continued)			
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 3,380,669	\$ (69,104)	\$ 3,311,565
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	2,482,785	47,374	2,530,159
(Increase) decrease in accounts receivable	(252,329)	(46,558)	(298,887)
(Inc)/decrease in Deferred outflows pension	(18,723)	(2,573)	(21,296)
(Increase) decrease in Net Pension Assets	(504)	(69)	(573)
Increase (decrease) in accounts payable	389,450	(12,827)	376,623
Increase (decrease) in accrued salaries and benefits	5,854	840	6,694
Increase (decrease) in due to other entities	8,831	-	8,831
Increase (decrease) in compensated absences	(1,094)	(5,118)	(6,212)
Increase (decrease) in deposits	52,871	-	52,871
Increase (decrease) in net pension liability	(100,744)	(13,848)	(114,592)
Increase (decrease) deferred inflows - pensions related	59,491	8,177	67,668
Total adjustments	2,625,888	(24,602)	2,601,286
Net cash provided (used) by operating activities	\$ 6,006,557	\$ (93,706)	\$ 5,912,851
Noncash investing, capital, and financing activities			
Contributions from contractors for:			
Water and Sewer Improvements	\$ (24,296)	\$ -	\$ (24,296)
Total Contributions from Contractor	\$ (24,296)		\$ (24,296)
Reconciliation of total cash and cash investments			
Cash and cash equivalents	\$ 9,700,115	\$ -	\$ 9,700,115
Restricted cash and cash equivalents	60,910	-	60,910
Total cash and cash investments	\$ 9,761,025	\$ -	\$ 9,761,025



## Notes to the Financial Statements

The notes to the financial statements are included to provide information that is essential to the user's understanding of the basic financial statements.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

American Fork City, Utah (City) was incorporated under the laws of the Territory of Utah in 1853. The City operates under a council-mayor form of government and provides the following broad range of services to its citizens: general administrative services, public safety (police and fire), highways and streets, sanitation, recreation and parks, public improvements, planning and zoning. It also operates the water and sewer utilities.

### **A. Accounting and Reporting Policies**

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails.

### **B. Component Units**

The City, for financial purposes, includes all of the funds and accounts relevant to the operations of American Fork City. The financial statements of the City include those of separately administered organizations that are controlled by or dependent on the City. Control or dependence is determined on the basis that the board is essentially the same as the City Council and the services are provided to the City. The City also facilitates the budget adoption, taxing authority, funding and appointment of the respective governing board. Based on the foregoing criteria, the financial statements of the American Fork Arts Council and the Redevelopment Agency and the Building Authority are included in the accompanying financial statements and reported in the American Fork Arts Council, Building Authority and Redevelopment Agency special revenue funds. These funds are considered to be blended component units.

Complete financial statements for each of the individual blended component units may be obtained at the American Fork City offices.

The accounts of Fox Hollow Golf Course and Timpanogos Special Service District are excluded from the accompanying financial statements because the entities are autonomous and have a self-elected board of directors responsible for their operations and the hiring of their management personnel. The City pays Timpanogos Special Service District for its share of services received. Timpanogos Special Service District receives payments from other nearby cities receiving these same services. Fox Hollow Golf Course was established in 1973 by American Fork City, Pleasant Grove City, and Lehi City. The Golf Course has its own board, with one member of the city council serving on that board. The City has guaranteed one third of the \$4,880,000 bond.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

**C. Basis of Presentation**

The government-wide financial statements (the Statement of Net Assets and the Statement of Activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from those statements.

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of the given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most of the governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

**General Fund**

The general fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the general fund.

**Debt Service Fund**

The debt service fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt.

**Capital Projects Fund**

The capital projects fund is used to account for funds received and expended for the acquisition or construction of capital facilities, improvements, and equipment (other than those financed by proprietary funds.)

**Fitness Center Fund**

This fund accounts for the amounts received and expended for the operation of the fitness center.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The City has presented the following major proprietary funds:

**Sewer and Water Fund**

The sewer and water fund is used to account for the provision of sewer and water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer and water system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt and capital improvements. All costs are financed through charges to utility customers.

**Broadband Fund**

The broadband fund is used to account for the provision of digital services to businesses and internet service providers within the network. Activities of the fund include administration, operations, and maintenance of the network system, and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of long-term debt, and capital improvements. All costs will be financed through charges to internet service providers, business connections, and general fund transfers. A significant portion of the broadband system was sold in June 2008 to UTOPIA and a private company. See Note 15. The City continues to issue IRUs (Irrevocable rights of use) that are treated as “sale” of assets, because the term of the IRUs extend beyond the expected life of the asset.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods or services in connection with a proprietary fund’s principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, materials and supplies, and depreciation of capital assets. All revenue and expenses not meeting the definition are reported as non-operating revenues and expenses.

**E. Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets; and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers amounts collected within 60 days after year-end to be available. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, ambulance fees, safety contracts, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**F. Assets, Liabilities, and Fund Balance or Equity**

**1. Deposits and investments**

The City considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents for reporting purposes in the Statement of Cash Flows for the Proprietary Funds.

**2. Receivables and payables and transfers**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/due from other funds.”

Legally authorized transfers are treated as interfund transfers and are included in the results of operations in both governmental and proprietary funds.

**3. Inventory**

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

**4. Restricted, Committed, Assigned, and Unassigned Equity**

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt services. It is the policy of the City to use assets in the following order: Restricted, committed, assigned, and then unassigned assets.

When both restricted and unrestricted resources are available for use for the same purposes, restricted resources are expended first, in order to meet statutory, budgetary, grant or revenue requirements. For instance, the City receives B&C road funds and has maintained the policy that those funds for road expenditures will be expended prior to expending city allocated road accrual funds, in order to report to the State that all funds distributed for B&C roads have been properly expended. The same rules for expenditure apply to grant funds awarded to the City.

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

**5. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest of \$2,655,909 has been capitalized during the construction period on property, plant and equipment in the governmental funds.

Assets having an original cost of \$5,000 or more are capitalized. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings and improvements	10-50 years
Improvements other than buildings	20-50 years
Machinery and equipment	5-20 years
Infrastructure	40-60 years

The City has adopted an allowable alternative to reporting depreciation for its road and bridge networks. Under this alternative method, referred to as the “modified approach,” the City must maintain an asset management system and demonstrate that its roads and bridges are being preserved at or above condition levels established by City policy. Infrastructure assets accounted for under the modified approach are not depreciated, and maintenance and preservation costs are expensed.

**6. Compensated Absences**

Compensated absences consist of vacation pay. The City accrues vacation pay when earned. Accrued vacation pay over 240 hours is forfeited on an annual basis.

The City has a policy which allows employees to buy back sick leave in excess of the maximum accumulation limit. Sick buy-back is limited to earned sick time over 480 hours.

Because of the management of compensated absences, the majority of vacation and sick pay earned is considered long-term see “Changes in long-term debt” schedule for more information on compensated absences.

Compensated absences liabilities are liquidated in the fund in which they are earned. For instance, departments assigned to the general fund will have the associated departmental compensated absences liquidated by the general fund. This same liquidation policy applies to the fitness center, broadband and water and sewer departments.



**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

**7. Taxes**

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied and tax notices are sent on November 1. All unpaid taxes are due and become delinquent on November 30. Property tax revenues are recognized by the City when they are collected. Property taxes and fees on licensed motor vehicles are collected on a monthly basis in the month in which the individual motor vehicle license is renewed. Property taxes are billed and collected by Utah County on behalf of the City and remitted to the City monthly. At June 30, 2015, only delinquent taxes are uncollected.

In accordance with government accounting standards, a receivable and deferred revenue has been recorded for property taxes assessed at January 1, 2014 that will not be collected in the current fiscal year. These amounts are considered to be unavailable to pay for current resources.

**8. Deferred Outflows/Inflows of Resources**

Beginning with 2013, the City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These Statements provide financial reporting guidance to standardize the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. They also establish accounting standards and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities, and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities

In addition to assets, the financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two Deferred Outflows, refunding bond costs and pension related costs.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and pension related costs. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The item, *revenue for future year*, is reported in both the statement of net position and the governmental funds balance sheet. These amounts account for property taxes levied on January 1, 2014 for the 2014-2015 Fiscal year.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

**9. Net Assets**

Beginning with fiscal year 2011, the City implemented GASB Statement 54, *Fund Balance Reporting in Governmental Fund Types Definitions*. The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor them. The City first determines and reports nonspendable balances, then restricted, then committed, and so forth. The City's governmental funds beginning balances have been restated to reflect the below classifications. Fund balance classifications are summarized as follows:

**Nonspendable.** This category includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable.

**Restricted.** This category includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include the following:

- a) Debt service
- b) Perpetual care
- c) Redevelopment
- d) Impact fees.

As a general rule, the City applies restricted resources to projects before applying unrestricted resources. A good example is in the application of B&C road funds which are restricted to specific projects related to B&C road maintenance; another example is the use of impact fees which are restricted to identified growth-related projects. These are used prior to using unrestricted funds.

**Committed.** This category includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City Council has not committed any fund balance amounts.

**Assigned.** This category includes General Fund balance amounts that the City intends to be used for a specific purpose but are neither restricted nor committed. The policy to assign fund balance generally comes from the City Council as a formal action, during a noticed Council meeting or budget approval. This category also includes the remaining positive fund balance for other governmental funds. The City has assigned debt service requirement, Municipal building, special revenues, and capital projects.

**Unassigned.** Residual balances in the General Fund are classified as unassigned.

When committed, assigned, and unassigned resources are available for use for the same purpose, the expenditure will be examined to determine which category of fund balance will be applied to the expenditure. Committed funds will always be used as identified by the formal action of the Council.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)**

Assigned funds will be the next strategic use of fund balance; and if no specific guidance or determination of fund balance is given, unassigned fund balance will be applied.

**10. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at June 30, 2015 and revenues and expenses during the year then ended. The actual results could differ from those estimates.

**NOTE 2 – BUDGET AND BUDGETARY ACCOUNTING**

Budgets are adopted on a basis consistent with generally accepted accounting principles. All funds of the City have legally adopted budgets.

The City Council approves by resolution the total budget appropriation by fund. The City Budget Officer is authorized to transfer budget amounts within departments of a fund. Any revisions that alter the total appropriations of any fund must be approved by the City Council. A public hearing is held anytime an increase in total appropriations is made. The budget was amended in fiscal year 2015. Unused appropriations for all of the annually budgeted funds lapse at the end of the year.

Budgetary control is maintained primarily at the department level.

**NOTE 3 – DEPOSITS AND INVESTMENTS**

The City follows the requirements of the Utah Money Management Act (*Utah Code* Annotated 1953, Section 51, Chapter 7) and the rules of the Utah Money Management Council (the Council). Following are discussions of the City's exposure to various risks related to its cash management activities.

While the City's actual amount of deposits was \$23,102,229 the balance in the City's bank accounts was \$22,335,733 with the difference being due to outstanding checks and deposits in transit.

**Custodial Credit risk**

*Deposits.* Custodial credit risk for deposits is the risk that in the event of a bank failure the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Money Management Act. The Act requires all deposits of the City to be in a *qualified depository*, defined as any financial institution whose deposits are insured up to a mandatory limit by an agency of the federal government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2015 the deposits were as follows:

<u>Depository Account</u>	<u>Custodial Credit Risk Risk</u>	<u>Balance June 30, 2015</u>
Checking Account	Insured	\$ 500,000
Savings Accounts	Insured	168,285
Savings Accounts	Uninsured	109,450
Checking Accounts	Uninsured	<u>2,759,763</u>
Total Deposits		<u><u>\$ 3,537,498</u></u>

*Investments.* Custodial credit risk for investments is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As with Deposits, the City's policy for managing custodial credit risk of investments is to adhere to the Money Management Act.

### Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of the investments securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard & Poor's; bankers' acceptances; obligations of the U.S. treasury and U.S government-sponsored enterprises; bonds and notes of political subdivisions of the State of Utah; fixed rate corporate obligations and variable rate securities rated "A" or higher by two nationally recognized statistical rating organizations defined in the Act.

The City is authorized to invest in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the SEC as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participants' average daily balances.

The fair value of the PTIF balance approximates the cost; the difference is \$97,028, which is considered immaterial. The fair value of the City's position in the PTIF is the same as the value of the pool shares.

The following are the City's investments as of June 30, 2015:

<u>Investments</u>	<u>Fair Value</u>	<u>Quality Ratings</u>			
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Utah Public Treasurer's Investment Fund	\$ 19,560,597	\$ -	\$ -	\$ -	\$ 19,560,597
Total Investments	<u>\$ 19,560,597</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,560,597</u>

### NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

#### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City manages its exposure to declines in fair value by investing mainly in the PTIF and by adhering to the Money Management Act. The Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity of commercial paper to 270 days or less and fixed-rate negotiable deposits and corporate obligations to 365 days or less. Maturities of the City's investments are noted above. The City's cash and cash equivalents include \$2,988,647 of restricted cash for debt services, capital projects, and cemetery care (see governmental funds balance sheet, pg. 30).

### NOTE 4 –RECEIVABLES

Receivables as of year-end for the government's individual funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	PARC Tax	Downtown Redevelopment	Perpetual Care	Sewer and Water	Capital Projects	Broadband	Total
Receivables:								
Accounts	\$ 970,579	\$ 139,595	\$ -	\$ 1,400	\$ 1,240,619	\$ 3,368	\$ 56,606	\$ 2,412,167
Taxes	5,309,282	-	-	-	-	-	-	5,309,282
Interfund	-	-	-	496,082	-	-	-	496,082
Other	-	-	26,545	-	453,107	-	500,000	979,651
Less allowance for uncollectible	(11,105)	-	-	-	(88,457)	-	(566)	-
	<u>\$ 6,268,756</u>	<u>\$ 139,595</u>	<u>\$ 26,545</u>	<u>\$ 497,482</u>	<u>\$ 1,605,269</u>	<u>\$ 3,368</u>	<u>\$ 556,040</u>	<u>\$ 9,097,054</u>

The "other receivable" in the sewer and water fund consists of a \$453,107 note receivable from Heritage Care Center (See Note 14). The other receivable in the broadband fund consists of a \$500,000 note receivable from American Fiber for the sale of the broadband system (See Note 15).

During the year, accounts determined to be worthless and uncollectible are charged against the allowance.

The interfund balances at June 30, 2015 consisted of the following:

	Due to	Due from
General fund	\$ 80,150	\$ -
Capital Projects fund	88,000	-
Perpetual Care fund	-	80,150
Sewer and Water fund	-	88,000
Total	<u>\$ 168,150</u>	<u>\$ 168,150</u>

The balance due to the sewer and water fund is for loans for capital projects that will be repaid from capital projects fund reserves. The balance due to the other government funds is because of the timing of the interest income transferred from the general fund and other miscellaneous transactions that will be paid during the next fiscal year.

## NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended June 30, 2015 consisted of the following:

	Transfers Out			
	General	Capital Projects	Nonmajor Governmental	Sewer and Water
Transfer In:				
General	\$ -	\$ -	\$ 51,707	\$ 228,983
Capital Projects	2,021,000	-	-	-
Debt Service	1,508,900	265,400	514,000	91,800
Fitness Center	390,800	-	-	28,358
Nonmajor Govtl.	99,522	-	-	-
Sewer and Water	-	-	-	-
Broadband	-	-	-	-
Total Transfers:	<u>\$ 4,020,222</u>	<u>\$ 265,400</u>	<u>\$ 565,707</u>	<u>\$ 349,141</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund or the fund remitting the debt service payments as they become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Governmental funds report *deferred inflows (formerly referred to as deferred revenue)* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred inflows* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned
Property taxes receivable (general fund)	\$ -	\$ 3,477,259
Delinquent Property Taxes (general fund)	152,873	
Total deferred/unearned revenue for govnm'tl funds	<u>\$ 152,873</u>	<u>\$ 3,477,259</u>

*Remainder of page intentionally left blank*

## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

<b>Primary Government</b>	Beginning				Ending
<b>Governmental activities:</b>	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Land	\$ 24,926,328	\$ -	\$ -	\$ -	\$ 24,926,328
Land Right of Way	726,929	-	-	-	726,929
Road network	20,855,446	3,171,941	-	-	24,027,387
Bridge network	1,353,714	-	-	-	1,353,714
Construction in progress	-	1,270,911	-	-	1,270,911
Total capital assets not being depreciated	47,862,417	4,442,852	-	-	52,305,269
Capital assets being depreciated:					
Buildings and improvements	37,501,520	919,056	-	-	38,420,576
Equipment	9,095,252	556,079	-	(114,726)	9,536,605
Curb and gutter	10,406,191	110,759	-	-	10,516,950
Total capital assets being depreciated	57,002,963	1,585,894	-	(114,726)	58,474,131
Less accumulated depreciation for:					
Building and improvements	11,021,501	926,736	-	-	11,948,237
Equipment	6,220,881	569,873	-	(96,456)	6,694,298
Curb and gutter	4,531,745	371,135	-	-	4,902,880
Total accumulated depreciation	21,774,127	1,867,744	-	(96,456)	23,545,415
Total capital assets, being depreciated, net	35,228,836	(281,850)	-	(18,270)	34,928,716
Governmental activities capital assets, net	\$ 83,091,253	\$ 4,161,002	\$ -	\$ (18,270)	\$ 87,233,985
<b>Business-type activities:</b>	Beginning				Ending
	Balance	Increases	Transfers	Decreases	Balance
Capital assets not being depreciated:					
Land and improvements	\$ 765,003	\$ -	\$ -	\$ -	\$ 765,003
Water Stock	18,680,754	420,480	-	-	19,101,234
Total capital assets not being depreciated	19,445,757	420,480	-	-	19,866,237
Capital assets being depreciated:					
Buildings and improvements	99,729,918	2,669,629	-	-	102,399,547
Equipment	1,909,840	98,827	-	(25,000)	1,983,667
Total capital assets being depreciated	101,639,758	2,768,456	-	(25,000)	104,383,214
Less accumulated depreciation for:					
Buildings and improvements	28,761,998	1,134,986	-	-	29,896,984
Machinery and equipment	1,535,375	1,395,174	-	(25,000)	2,905,549
Total accumulated depreciation	30,297,373	2,530,160	-	(25,000)	32,802,533
Total capital assets, being depreciated, net	71,342,385	238,296	-	-	71,580,681
Business-type activities capital assets, net	\$ 90,788,142	\$ 658,776	\$ -	\$ -	\$ 91,446,918

**NOTE 6 – CAPITAL ASSETS (*Continued*)**

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 23,786
Public safety	454,073
Public Improvements	852,978
Parks and recreation	419,869
Other	<u>117,038</u>
Total depreciation expense - Governmental Activities	<u><u>\$ 1,867,744</u></u>

Business-type activities:

Sewer and water	\$ 2,482,785
Broadband	<u>47,374</u>
Total depreciation expense - Business-Type Activities	<u><u>\$ 2,530,159</u></u>
Total depreciation expense	<u><u>\$ 4,397,903</u></u>

*Remainder of page intentionally left blank*



## NOTE 7 – LEASE COMMITMENTS

The City entered into a capital lease agreement in November 2014 to purchase several police vehicles for the public safety department. The City financed the purchase over 36 months at a stated interest rate of 1.22% with a down payment of \$39,000 and annual payments of \$53,811 through February 2016. The lease is secured by the vehicles. The vehicles are recorded at \$144,680 with \$6,798 accumulated amortization.

The City entered into a capital lease agreement December 2011 to purchase a new fire truck for the public safety department. The City financed the purchase over 48 months with a stated interest rate of 2.085%. with annual payments of \$107,919 through December 2015. The lease is secured by the vehicle. The vehicle is recorded at \$565,081 with \$33,286 accumulated amortization.

The City entered into a capital lease agreement April 2014 to purchase a first responder vehicle for the public safety department. The City financed the purchase over 48 months with a stated interest rate of 1.090%. with \$27,000 down and annual payments of \$9,549 through April 2017. The lease is secured by the vehicle. The vehicle was not available at the end of the fiscal year (June 30, 2015) to take procession; the vehicle will be recorded as an asset on the City's books when it is received.

The City entered into a capital lease agreement October 2014 to purchase a dump truck and (2) SUV vehicles for public works. The City financed the purchase over 60 months with a stated interest rate of 1.52%, with annual payments of \$60,639.12 through October 2017 decreasing to annual payments of \$40,032 through October 2019. The lease is secured by the vehicles. The vehicles are recorded as follows: the dump truck is recorded at \$195,746 with \$44,190 in accumulated depreciation; the Building inspection vehicle is recorded at \$26,716 with \$8,402.73 in accumulated depreciation; and the public works vehicle is recorded at \$33,525 with \$10,801 in accumulated amortization.

Amortization of capital assets purchased under capital leases is included in depreciation.

Capital leases future debt service requirements:

<b>Lease Arrangements</b>		
<u>Year</u>	<u>Governmental</u>	<u>Business</u>
2016	\$ 231,919	\$ -
2017	70,188	-
2018	60,639	-
2019	40,032	-
2020	40,032	-
Total minimum lease payments	\$ 442,810	\$ -
Amount representing interest	(13,792)	-
Present value of minimum lease pay	429,018	-
Amount due within one year	224,484	-
Long term capital lease payable	<u>\$ 204,534</u>	<u>\$ -</u>

## NOTE 8 – LONG TERM DEBT

Bonds and notes payable at June 30, 2015 are comprised of the following:

	<u>Governmental</u>	<u>Business-type</u>
<b>General Obligation Bonds</b>		
\$3,393,000 General Obligation Bond, due in annual installments on June 1 of \$540,000 to \$590,000 from 2014 to 2020. Interest at 1.530% due in semi-annual payments on December 1 and June 1.	\$2,853,000	\$ -
\$5,545,000 General Obligation Bond, due in annual installments on June 1 of \$445,000 to \$690,000 from 2005 to 2017. Interest at 4.0% to 5% due in semi-annual payments on December 1 and June 1.	1,965,000	
\$1,650,000 General Obligation Refunding Bond, due in annual principal payments and semi-annual interest payments beginning December 2011 through June 2021. The bond carries a variable interest rate ranging from .067-3.00%.	1,020,000	
\$8,250,000 General Obligation Bond, due in annual installments on May 1 of \$290,000 to \$545,000 from 2011 to 2035. Interest at 4% to 4.75% due in semi-annual payments on November 1 and May 1.		475,000
\$7,020,000 General Obligation Refunding Bond, due in annual installments on May 1 of \$50,000 to \$500,000 from 2016 to 2035. Interest at 2% to 4% due in semi-annual payments on May 1 and November 1.		7,020,000
\$1,517,000 General Obligation Refunding Bond, due in annual installments on September 1 of \$242,000 to 265,000 from 2013 to 2019. Interest at 1.550% due in semi-annual payments on September 1 and March 1.	1,030,000	
\$38,700,000 General Obligation Bond, due in annual installments on May 1 of \$300,000 to \$2,605,000 from 2011 to 2035. Interest at 3.5% to 5% due in semi-annual payments on November 1 and May 1.		34,500,000
	<u>\$6,868,000</u>	<u>\$41,995,000</u>
<b>Total General Obligation Bonds</b>		

## NOTE 8 – LONG TERM DEBT (Continued)

General Obligation Bonds future debt service requirements:

GO Bonds				
Year Ending June 30,	Governmental Activities		Business-Type	
	Principal	Interest	Principal	Interest
2016	\$ 1,588,000	\$ 163,958	\$ 1,330,000	\$ 2,005,471
2017	1,635,000	117,201	1,370,000	1,867,188
2018	1,690,000	67,997	1,430,000	1,099,938
2019	1,015,000	34,285	1,495,000	1,745,038
2020	765,000	19,125	1,570,000	1,673,188
2021-2025	175,000	5,250	9,080,000	7,155,738
2026-2030	-	-	11,435,000	4,807,788
2031-2035	-	-	14,285,000	1,944,481
2036-2040	-	-	-	-
Total	<u>\$ 6,868,000</u>	<u>\$ 407,816</u>	<u>\$ 41,995,000</u>	<u>\$ 22,298,828</u>

The general obligation bonds are direct obligations issued on a pledge of the general taxing power for the payment of the debt obligations of the City. The general revenues of the City are contingently liable for the general obligation bonds that are currently outstanding and recorded as obligations of the business-type activities. The full faith and credit of the City is pledged to redeem these bonds if revenues from the proprietary funds are insufficient to meet the obligations. There are a number of covenants and restrictions contained in the revenue bonds. The City was in compliance with all significant covenants and restrictions related to the bonds at June 30, 2015.

**Advanced Refunding.** The City issued \$7,020,000 in general obligation bonds with an interest rate of 2.74%. The proceeds were used to advance refund \$6,745,000 of outstanding 2007 general bonds with interest rates ranging from 2% to 4%. The net proceeds of \$7,270,728.21 (after payment of \$79,748.18 in issuance costs and \$46,112.01 in underwriter discount) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2007 general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$376,588.40. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt.

The government advance refunded the 2007 general obligation bonds to reduce its total debt service payments over twenty years by \$244,434.22 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$957,571.49.

**NOTE 8 – LONG TERM DEBT** *(Continued)*

	<u>Governmental</u>	<u>Business-type</u>
<b>Revenue Bonds</b>		
\$800,000 2013 Water Revenue Bond, due in annual installments on January 1 of \$51,825 to \$52,720 from 2013 to 2033. Interest at 2.69% to 5.6% due in annual payments on January 1.	\$ -	\$ 737,000
\$1,092,000 Sales Tax Revenue Bonds, due in annual Installments from April 2013 through October 2019. Interest due in semiannual installments April and October.	1,017,002	
\$1,684,000 RDA Sales Tax Refunding Bonds, due in annual installments on March 1 of \$463,000 to \$383,000 from 2016 to 2019. Interest at .620% to 1.46% due in annual payments on March 1 and September 1.	<u>1,684,000</u>	
Total Revenue Bonds	<u><u>\$2,701,002</u></u>	<u><u>\$ 737,000</u></u>

**Advanced Refunding.** The City issued \$1,684,000 in sales tax refunding bonds 1.205%. The proceeds were used to advance refund \$1,684,000 of outstanding 2005 RDA sales tax revenue bonds. The net proceeds of \$1,698,313 (after payment of \$28,107 in issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the 2005 RDA sales tax revenue bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The government advance refunded the 2005 sales tax revenue bonds to reduce its total debt service payments over twenty years by \$97,580 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$97,580.

*Remainder of page intentionally left blank*

Revenue bonds future debt service requirements:

Sales Tax				
Year Ending June 30,	Governmental Activities		Business-Type	
	Principal	Interest	Principal	Interest
2016	\$ 501,345	\$ 311,911	32,000	19,825
2017	456,920	43,881	33,000	18,965
2018	459,504	67,997	34,000	18,077
2019	423,097	31,997	35,000	17,162
2020	860,136	12,902	36,000	16,221
2021-2025	-	-	195,000	66,040
2026-2030	-	-	223,000	29,386
2031-2035	-	-	149,000	8,097
2036-2040	-	-	-	-
Total	<u>\$ 2,701,002</u>	<u>\$ 468,689</u>	<u>\$ 737,000</u>	<u>\$ 193,772</u>

The future debt service requirements for all outstanding bond and note obligations as of June 30, 2015 are as follows:

Total Debt				
Year Ending June 30,	Governmental Activities		Business-Type	
	Principal	Interest	Principal	Interest
2016	\$ 2,089,345	\$ 475,869	\$ 1,362,000	\$ 2,025,297
2017	2,091,920	161,083	1,403,000	1,886,152
2018	2,149,504	135,994	1,464,000	1,118,014
2019	1,438,097	66,283	1,530,000	1,762,200
2020	1,625,136	32,027	1,606,000	1,689,408
2021-2025	175,000	5,250	9,275,000	7,221,777
2026-2030	-	-	11,658,000	4,837,174
2031-2035	-	-	14,434,000	1,952,578
2036-2040	-	-	-	-
Total	<u>\$ 9,569,002</u>	<u>\$ 876,505</u>	<u>\$ 42,732,000</u>	<u>\$ 22,492,600</u>

*Remainder of page intentionally left blank*

## NOTE 8 – LONG TERM DEBT *(Continued)*

Changes in long-term debt are as follows:

	July 1, 2014	Additions	Reductions	June 30, 2015	Due in One Year	Due in More than one year
Governmental Activities:						
General obligation bonds	\$ 8,398,000	\$ -	\$ 1,530,000	\$ 6,868,000	\$ 1,588,000	\$ 5,280,000
Revenue bonds	3,109,780	1,684,000	(408,778)	2,701,002	501,345	2,199,657
Compensated Absences	364,996	64,768	-	429,764	42,976	386,788
Net Pension Liability	3,514,718	-	775,148	2,739,570	182,638	2,556,932
Long term leases	756,070	251,350	278,402	429,018	224,848	204,170
Gov't Activities LT debt	<u>\$ 15,387,494</u>	<u>\$ 2,000,118</u>	<u>\$ 2,174,772</u>	<u>\$ 13,167,354</u>	<u>\$ 2,539,807</u>	<u>\$ 10,627,547</u>
Business-Type Activities:						
General obligation bonds	\$ 42,970,000	\$ 275,000	\$ 975,000	\$ 41,995,000	\$ 1,330,000	\$ 40,665,000
Revenue bonds	769,000	-	32,000	737,000	32,000	705,000
Compensated Absences	98,202	-	4,024	94,178	59,932	34,246
Net Pension Liability	572,163	-	100,664	471,499	-	471,499
Net Bond Premium	-	376,588	-	376,588	18,829	357,759
Business-type LT debt	<u>\$ 44,409,365</u>	<u>\$ 651,588</u>	<u>\$ 1,111,688</u>	<u>\$ 43,674,265</u>	<u>\$ 1,440,761</u>	<u>\$ 42,233,504</u>

Changes in long –term debt include changes in long term liabilities, changes in bonds payable, deferred items, capital leases, and compensated absences during the fiscal year ended June 30, 2015.

## NOTE 9 - RETIREMENT PLANS

### State Retirement

American Fork City contributes to the Local Governmental Noncontributory Retirement System and the Public Safety Retirement System for employers with social security coverage. These retirement systems are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide retirement benefits, annual cost of living allowances, death benefits, and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State Legislature.

The Systems are established and governed by the respective sections of Chapter 49 of the *Utah Code* Annotated 153 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and Plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans.

*Remainder of page intentionally left blank*

## Summary of Significant Accounting Policies

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems.

The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); Firefighters Retirement System (Firefighters System); are multiple employer, cost sharing, public employees, retirement systems.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and cost-sharing, multiple-employer retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); and the Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) are multiple employer, cost sharing, public employees, retirement systems.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

*Remainder of page intentionally left blank*

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

### Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	Cola**
Noncontributory System	Highest 3 years	30 years any age; 25 years any age*; 20 years age 60*; 10 years age 62*; 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age; 10 years age 60; 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% to 4% depending on the employer
Firefighters System	Highest 3 years	20 years any age; 10 years age 60; 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age; 20 years age 60*; 10 years age 62*; 4 years age 65	1.5% per year, all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	3 years any age; 20 years age 60*; 10 years age 62*; 4 years age 65	1.5% per year, all years	Up to 2.5%

\* with actuarial reductions

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**Contributions:** As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates are as follows:

*Remainder of page intentionally left blank*



### Utah Retirement Systems

	Employee Paid	Paid by Employer for Employee	Employer contribution Rates
Contributory System			
111-Local Governmental Division Tier 2	N/A	N/A	14.830%
Noncontributory System			
15-Local Governmental Division Tier 1	N/A	N/A	18.470%
Public Safety Retirement System			
43-Other Division A Noncontributory Tier 1	N/A	N/A	34.040%
122-Other Division A Contributory Tier 2	N/A	N/A	22.550%
Firefighters System			
31-Division A Tier 1	N/A	15.050%	3.820%
132-Division B Tier 2	N/A	N/A	10.800%

### Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2014, we reported a net pension asset of \$105,819 and a net pension liability of \$3,211,069.

	Proportionate Share	Net Pension Asset	Net Pension Liability
Noncontributory System	.4499177%	\$0	\$1,953,649
Public Safety System	.9998703%	0	1,257,420
Firefighters System	.14214988%	81,116	0
Tier 2 Public Employees System	.0782491%	2,371	0
Tier 2 Public Safety and Firefighter system	1.5096317%	22,332	0
Total net Pension Asset/Liability		<u>\$105,819</u>	<u>\$3,211,069</u>

The net pension asset and liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2014 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability was based upon actual historical employer contributions to the plan from the census data submitted to the plan for pay periods ending in 2014.

For the year ended December 31, 2014, we recognized pension expense of \$915,334. At December 31, 2014, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

*Remainder of page intentionally left blank*

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$729	\$201,146
Changes in assumptions	0	411,844
Net difference between projected and actual earnings on pension plan investments	82,292	0
Changes in proportion and differences between contributions and proportionate share of contributions	0	0
Contributions subsequent to the measurement date	704,546	0
Total	<u>\$787,567</u>	<u>\$612,990</u>

\$704,546 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2014. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (inflows) of Resources
2015	(\$137,271)
2016	(\$137,271)
2017	(\$137,271)
2018	(\$86,903)
2019	(\$9,787)
Thereafter	(\$21,468)

Actuarial assumptions: The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 Percent
Salary Increases	3.50 - 10.5 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation.

Active member mortality rates are a function of the member's gender, occupation, and age and are developed based upon plan experience. Retiree mortality assumptions are highlighted in the table below.

**Retired Member Mortality**

Class of Member

Educators

Men EDUM (90%)

Women EDUF (100%)

**Public Safety and Firefighters** Men RP

2000mWC (100%)

Women EDUF (120%)

Local Government, Public Employees

Men RP 2000mWC (100%) Women EDUF  
(120%)

*EDUM = Constructed mortality table based on actual experience of male educators multiplied by given percentage EDUF = Constructed mortality table based on actual experience of female educators multiplied by given percentage*

*RP 2000mWC = RP 2000 Combined mortality table for males with white collar adjustments multiplied by given percentage*

The actuarial assumptions used in the January 1, 2014, valuation were based on the results of an actuarial experience study for the five year period of January 1, 2008 - December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best- estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long-Term expected portfolio real rate of return
Equity securities	40 %	7.06 %	2.82 %
Debt securities	20 %	0.80 %	0.16 %
Real assets	13 %	5.10 %	0.66 %
Private equity	9 %	11.30 %	1.02 %
Absolute return	18 %	3.15 %	0.57 %
Cash and cash equivalents	0 %	0.00 %	0.00 %
Totals	100 %		5.23 %
	Inflation		2.75%
	Expected arithmetic nominal return		7.98%



The 7.50% assumed investment rate of return is comprised of an inflation rate of 2.75%, a real return of 4.75% that is net of investment expense.

**Discount rate:** The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:** The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<b>1% Decrease (6.50%)</b>	<b>Discount Rate (7.50%)</b>	<b>1% Increase (8.50%)</b>
Proportionate share of Net Pension (asset)/liability	\$8,179,727	\$3,105,250	(\$1,072,620)

**Pension plan fiduciary net position:** Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

#### Payables to the pension plan

[If reported payables to the defined benefit pension plan, it should disclose information required by paragraph 122 of GASB 68.]

*Remainder of page intentionally left blank*



**NOTE 9 - RETIREMENT PLANS (*Continued*)**

**Cafeteria/Deferred Compensation Plans**

The City offers a cafeteria plan to all full-time employees to fund a variety of employee benefit programs including a 401K plan, life insurance, disability insurance, health insurance, and other benefits.

Also, the City has established a voluntary deferred compensation program pursuant to Section 457 of the Internal Revenue Code. In accordance with Governmental Accounting Standards Board Statement 32 (GASB No. 32), the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries.

*Remainder of page intentionally left blank*

**NOTE 10– DEFICIT NET ASSETS**

For the year ended June 30, 2015, the City had negative net assets in the broadband fund. During fiscal year 2003, an existing high-speed broadband system was purchased from a private company. The City began providing wholesale services to internet providers during fiscal year 2003. A significant portion of the broadband assets were sold to UTOPIA and a private company in June 2008. The City has since issued more IRUs (Irrevocable rights of use) that extend beyond the useful life of the asset, so are treated in the financial statements as a “sale” of assets. The City is currently reviewing their options to address the negative net assets.

**NOTE 11 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the City to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damage, and other losses. A minimal deductible applies to these policies which the City pays in the event of any loss. There have been no significant reductions in the coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The City also has purchased a workers’ compensation policy.

**NOTE 12 – REDEVELOPMENT AGENCY DISCLOSURES**

In accordance with Section 17A-2-1217(3), the following information is provided for the Redevelopment Agency Fund:

A) The tax increment collected by the Redevelopment Agency Fund was as follows:

West Side	\$31,425
East Side	86,163
Business Park	576,924
Egg Farm	622,437

B) There were no tax increments paid to any taxing agency pursuant to section 17A-2-1258 during the year ended June 30, 2015.

C) The outstanding principal amount of bonds issued or other loans incurred to finance the costs associated with the project areas are as follows:

Sales Tax Revenue Bond	\$1,684,000
------------------------	-------------

## NOTE 12 – REDEVELOPMENT AGENCY DISCLOSURES *(Continued)*

D) The following amounts were expended during the year ended June 30, 2015:

Site Improvements	\$	1,009,325
Administrative Costs		87,554

## NOTE 13 – LEASE ARRANGEMENTS

The City entered into an agreement with the State of Utah to lease office and court space to the Fourth Judicial District and Juvenile Courts. The lease agreement is through September 30, 2022, with five year renewal options. The annual lease payment is \$349,300. The operating and maintenance portion is currently being adjusted to reflect the City's actual costs.

The future lease payments are as follows:

Year	Amount
2016	\$ 349,300
2017	349,300
2018	349,300
2019-2022	1,397,200
	<u>\$ 2,445,100</u>

*Remainder of page intentionally left blank*

#### NOTE 14 – SALE OF HOSPITAL – NOTE RECEIVABLE

The City sold the old hospital building to the tenant Heritage Care Center for \$2,686,964 in July 2003.

The City is financing \$492,000 of the sales price. The City's loan is secured by a second position interest in the building. The City's security is subordinate to the U.S. Department of Housing and Urban Development (HUD), which holds the first position interest.

Repayment of the note is subject to Heritage Care Center being in a surplus cash position as defined by their regulatory agreement with HUD. The City collected \$5,443 toward the principal on the note as well as interest in fiscal year 2015. The note receivable is recorded in the sewer and water fund.

Scheduled principal and interest payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 5,898	\$ 36,035	\$ 41,934
2017	6,388	35,546	41,934
2018	6,915	35,016	41,931
2019	7,492	34,441	41,934
2020	8,114	33,820	41,934
2021-2025	51,863	157,806	209,669
2026-2030	77,268	132,400	209,668
2031-2035	115,118	94,551	209,669
2036-2040	171,506	38,162	209,668
2041	2,500	17	2,517
Total	<u>\$ 453,064</u>	<u>\$ 597,794</u>	<u>\$ 1,050,861</u>

#### NOTE 15 – SALE OF BROADBAND ASSETS

On June 6, 2008, the City entered into an agreement with American Fiber, Inc. to sell the in-city fiber network, equipment, and receivables for \$500,000. The City financed the note with American Fiber, Inc. The terms are monthly interest-only payments at 12% beginning July 1, 2008, with the principal due on December 31, 2012. The note is secured by the system assets that were sold. The note has since been extended with an interest rate of 12% accruing monthly until the purchaser can obtain financing.

The City still owns the governmental portion of the network, which is approximately one-third of the original system.



## **NOTE 16 – SUBSEQUENT EVENTS**

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 2, 2015 the date the financial statements were available to be issued.

## **NOTE 17 – LITIGATION**

The City is a defendant in certain legal actions, pending actions, or in the process for miscellaneous claims. The ultimate liability which might result from the final resolution of the above matters is not presently determinable. City management is of the opinion the final outcome of the cases will not have an adverse effect on the City's financial statements.

## **NOTE 18 – RESTATEMENT OF NET POSITION**

The Governmental Accounting Standards Board (GASB) issued Statement No. 68 Accounting for Financial Reporting of pensions which became effective for financial statement reporting periods beginning after June 15, 2014. As a result of implementing this statement, pension related items, which were previously not recognized, are now required to be reported in the City's financial statements. In the year of implementation, the City is required to include the pension related amounts and restate the earliest Net Position presented. Therefore the effect of adding the pension related items is reflected as a restatement of net position in the statement of Activities for governmental activities of \$2,960,866 as well as \$496,966 in the proprietary funds statement of Revenues, Expenses, and Change in Net Position, since these pension items do not relate to the current financial reporting period.

During the year it was noted that the payroll accrual for the prior year was not correctly accrued. As a result the City made adjustments to the beginning net position of \$257,697 in the Statement of Activities and Statement of Revenues, Expenditures, and Changes in Fund balance for governmental activities, and \$33,255 in the statement of activities and the statement of Revenues, Expenditures, and changes in Net position for business-type activities.

*Remainder of page intentionally left blank*



# Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by GASB, but are not considered part of the basic financial statements. Such information includes:

## **Modified Approach**

- Asset Management System Reporting
- Road Network
- Bridge Network

## **Budgetary Comparison Schedules**

- General Fund
- Fitness Center

**AMERICAN FORK CITY**  
**Required Supplementary Information**  
**Modified Approach – Asset Management System**

As allowed by GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, the City has adopted an alternative method for reporting costs associated with certain infrastructure assets. Under this alternative method, referred to as the “modified approach,” infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The City capitalizes costs related to new construction, major replacements, and improvements that increase the capacity and/or efficiency of infrastructure assets reported under the modified approach.

For budgetary comparison, the schedules are presented in a basis that is consistent with GAAP.

In order to utilize the modified approach, the City is required to:

Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.

Perform and document replicable condition assessments of the eligible infrastructure assets and summarize the results using a measurement scale.

Estimate each year the annual amount to maintain and preserve the eligible infrastructure assets at the condition level established and disclosed by the City.

Document whether the infrastructure assets are being preserved approximately at or above the condition level established by the City.

**Road System**

The condition of the City’s 111.6 miles of road pavement is measured using the Distress Identification Manual for Long-Term Pavement Performance Projects published by the Strategic Highway Research Program (SHRP), which is based on a weighted average of seven distress factors found in pavement surfaces. The pavement management system uses a measurement scale that is based on a condition index ranging from 0 to 20 years remaining service life for pavement. The condition index is used to classify roads in the following remaining service life categories: 19 to 20 years, 13 to 18 years, 9 to 12 years, 7 to 8 years, and 0 to 6 years. It is the City’s policy to maintain the roads with an average remaining service life of 12 years or greater. The initial condition assessment was performed in fiscal year 2001 and yielded an average remaining service life (RSL) of 8.5 years. The 2004 assessment indicated an average RSL of 9.23 years. The 2007 assessment indicated an average RSL of 7.03 years. The 2010 assessment indicated an average RSL of 7.0 years. Condition assessments are performed every three years.

Fiscal year end RSL is reported at 16 years. The primary reason for this is the significant investment in new roads such as 900 west, which raised the average City-wide. The City still believes significant investment in the road system is necessary to raise the remaining service life of the other City streets.

Accounting principles generally accepted in the United States of America require reporting the last three complete condition assessments and needed-to-actual information for five years. The schedule below showing the percentage of roads in each service life category only presents information as of the most recent condition assessment period.

*Remainder of page intentionally left blank*

## Bridge Network

The condition of the City's bridges is determined using the Structures Inventory System to monitor the condition of the nine City-owned bridges. A number ranging from 1 – 100 is calculated based on condition, geometry, functional use, safety, and other factors. Three categories of condition are established, 80 to 100, 50 to 79, and 1 to 49. It is City policy to maintain bridges with an average score of 70 or better. The City's average score based on the initial condition assessment was 89. A condition assessment performed in fiscal years 2012 yielded an average score of 94. Condition assessments are performed every two years.

Accounting principles generally accepted in the United States of America require reporting the last three complete condition assessments and needed-to-actual information for five years. The schedule below showing the percentage of bridges in each condition assessment category only presents information as of the most recent condition assessment period.

Subjective Condition rating of Street Network		Subjective Condition Rating of Bridge network	
Percentage of network		Percentage of network	
0-6	49.23%	80 to 100	92.92%
7-8	25.02%	50 to 79	7.08%
9-12	15.82%	0 to 49	<u>0.00%</u>
13-18	1.61%		100.00%
19-20	<u>8.31%</u>		
	100.00%		
Average remaining service life is 16		Average score is 94	

### Comparison of Needed-to Actual Costs Road Maintenance/Preservation

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Needed	\$ 388,595	\$ 388,595	\$ 343,710	\$ 487,260	\$ 675,000	\$ 792	\$ 2,000,000	\$ 2,600,000	\$ 2,000,000
Actual	\$ 603,989	\$ 251,575	\$ 312,412	\$ 532,747	\$ 475,643	\$ 527,753	\$ 813,618	\$ 480,847	\$ 514,665

### Comparison of Needed-to Actual Costs Bridge Maintenance/Preservation

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Needed	\$ 43,177	\$ 43,177	\$ 381,900	\$ 54,140	\$ 75,000	\$ 675,000	\$ 675,000	\$ 675,000	\$ 675,000
Actual	\$ 67,110	\$ 27,952	\$ 347,124	\$ 59,194	\$ 52,849	\$ 52,775	\$ 81,362	\$ 48,085	\$ 51,467

\*\*\*Bridge maintenance costs represent 10% of the road maintenance costs

**AMERICAN FORK CITY  
General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual  
For Year Ended June 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Favorable (Unfavorable)
<b>Revenues (inflows)</b>				
Taxes	\$ 12,435,200	\$ 12,435,200	\$ 13,202,516	\$ 767,316
License and permits	505,600	505,600	615,566	109,966
Intergovernmental	921,700	921,700	973,579	51,879
Charges for services	3,724,000	3,724,000	3,652,448	(71,552)
Other fees and services	1,694,200	1,857,200	2,025,026	167,826
Cemetery fees	115,900	115,900	194,468	78,568
Fines and forfeitures	355,400	430,500	505,283	74,783
Miscellaneous	89,000	89,000	163,107	74,107
Interest income	30,000	30,000	47,453	17,453
Total revenues	19,871,000	20,109,100	21,379,446	1,270,346
<b>Expenditures (outflows)</b>				
General government	3,478,700	3,724,500	3,299,609	424,891
Public safety	7,440,300	7,440,300	7,294,729	145,571
Public improvements	2,547,000	2,696,900	2,505,941	190,959
Parks and recreation	2,227,200	2,349,400	2,191,639	157,761
Other	2,382,000	2,397,400	2,288,467	108,933
Total expenditures	18,075,200	18,608,500	17,580,385	1,028,115
<b>Other Financing Sources and Uses</b>				
Transfers in	2,235,600	2,530,800	280,690	(2,250,110)
Transfers out	(4,031,400)	(4,031,400)	(4,020,222)	11,178
Total Other Financing Sources/Uses	(1,795,800)	(1,500,600)	(3,739,532)	(2,238,932)
Excess (deficiency) of revenues over expenditures	-	-	59,529	59,529
Fund balance at beginning of year	5,085,476	5,085,476	5,085,476	
Restated fund balance	(229,359)	(229,359)	(229,359)	
Fund balance at end of year	\$ 4,856,117	\$ 4,856,117	\$ 4,915,646	

**AMERICAN FORK CITY**  
**Fitness Center Fund**  
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual  
For Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
General admissions	\$ 834,000	\$ 858,916	\$ 24,916
Other income	1,636,800	1,163,990	(472,810)
Interest income	700	559	(141)
Total revenues	2,471,500	2,023,465	(448,035)
<b>Expenditures</b>			
Salaries, wages, and employee benefits	1,373,600	1,400,284	(26,684)
Supplies	124,000	136,225	(12,225)
Utilities	232,000	236,164	(4,164)
Other	741,900	643,898	98,002
Total expenditures	2,471,500	2,416,571	54,929
Excess (deficiency) of revenues over (under) expenditures	-	(393,106)	(393,106)
<b>Other financing sources (uses)</b>			
Transfers in	723,400	419,158	(304,242)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	723,400	26,052	(697,348)
Fund balances - beginning of year	249,343	249,343	-
Restatement of Net Position	(28,339)	(28,338)	
Fund balances - ending of year	\$ 972,743	\$ 247,057	\$ (697,348)

**Schedule of Required Supplementary Information  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AMERICAN FORK CITY  
Utah Retirement  
Systems 31-Dec-14  
Last 10 Fiscal Years \***

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Proportion of the net pension liability (asset)	0.4499177 %	0.9998703 %	1.4214988 %	0.0782491 %	1.5096317 %
Proportionate share of the net pension liability (asset)	\$1,953,649	\$1,257,420	(\$81,116)	(\$2,371)	(\$22,332)
Covered employee payroll	\$3,840,242	\$1,420,345	\$369,498	\$384,271	\$624,887
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	50.9 %	88.5 %	-22.0 %	-0.6 %	-3.6 %
Plan fiduciary net position as a percentage of the total pension liability	90.2 %	90.5 %	103.5 %	103.5 %	120.5 %

\* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the current year. Prior year numbers are available from your prior year note disclosure confirmation.

Schedule of Required Supplementary Information  
SCHEDULE OF CONTRIBUTIONS  
AMERICAN FORK CITY  
Utah Retirement  
Systems 31-Dec-  
14  
Last 10 Fiscal Years \*

	Noncontributory System	Public Safety System	Firefighters System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighter System
Contractually required contribution	\$707,145	\$492,491	\$12,672	\$32,283	\$68,023
Contributions in relation to the contractually required contribution	(\$707,145)	(\$492,491)	(\$12,672)	(\$32,283)	(\$68,023)
Contribution deficiency (excess)					
Covered employee payroll	-	-	-	-	-
Contributions as a percentage of covered-employee payroll**	18.41%	34.67%	3.43%	8.40%	10.89%

\* Amounts presented were determined as of calendar year January 1 - December 31. Employers will be required to prospectively develop this table in future years to show 10- years of information. The schedule above is only for the current year. Prior year numbers are available from your prior year note disclosure confirmation.

\*\* Contributions as a percentage of covered-employee payroll may be different than the Board certified rate due to rounding or other administrative issues.



Notes to Required Supplementary Information

For Year Ended December 31, 2014

*Changes of Assumptions*

If there were any changes to actuarial assumptions, they would be reported in this area.

Other information that is not required as part of RSI

This information below is not required as part of GASB 68 but is provided for informational purposes. The schedule below is a summary of the Defined Contribution Savings Plans for pay periods January 1 - December 31.

31-Dec-14

	Employee Paid Contributions	Employer Paid Contributions
401 (k) Plan	\$7,698	\$15,256
457 Plan	\$0	\$0
Roth IRA Plan	\$16,240	\$0
Traditional IRA Plan	\$0	\$0
HRA Plan	\$0	\$0

\* The employer paid 401(k) contributions include the totals paid for employees enrolled in the Tier 2 Defined Contribution 401(k) Plan.

## Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by accounting principles generally accepted in the United States of America, not a part of the financial statements, but are presented for additional analysis.

Such statements and schedules include:

### **Combining Financial Statements- Non-Major Governmental Funds**

#### **Individual Fund Financial Statements and Schedules**

- General Fund
- Special Revenue Funds
- Debt Service Fund
- Capital Projects Fund
- Permanent Fund
- Proprietary Funds

#### **Additional Schedules**

- Schedule of Insurance in Force

#### **Additional Auditor's Reports**

- Report on Internal Control over Financial Reporting and on Compliance and other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.

- Utah State Compliance Report based on the requirements, special tests, and provisions required by the State of Utah's Legal Compliance Guide.



---

## Combining Financial Statements Non-Major Governmental Funds

### **Special Revenue Funds**

American Fork Arts Council Fund – to account for the arts and cultural activities of the City. During the fiscal year 2014, the City chose to close this fund.

Downtown Redevelopment Fund – to account for small business revolving loans.

Celebration Fund- to account for the activities of Steel Days, the City's annual celebration.

Building Authority- to account for the construction of capital facilities within the City.

Redevelopment Agency- to account for revenues and expenditures related to transactions generated in the City's redevelopment agencies.

### **Permanent Fund**

Perpetual Care Fund- to account for the funds received for the perpetual care of the cemetery.

**AMERICAN FORK CITY**  
**Non-major Governmental Funds**  
Combining Balance Sheet  
For the Year Ended June 30, 2015

	PARC Tax Fund	Redevelopment Agency	Special Revenue Downtown Redevelopment	Celebration Committee	Building Authority	Permanent Cemetery Care	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 66,842	\$ 1,733,447	\$ 74,267	\$ 113,713	\$ 824	\$ 33,057	\$ 2,022,150
Accounts receivable	139,595	-	-	-	-	1,400	140,995
Note receivable	-	-	26,545	-	-	496,082	522,627
Inventory	-	-	-	3,449	-	-	3,449
Due from other funds	-	-	-	-	-	80,150	80,150
Restricted cash	-	-	-	-	-	-	-
Total assets	<u>\$ 206,437</u>	<u>\$ 1,733,447</u>	<u>\$ 100,812</u>	<u>\$ 117,162</u>	<u>\$ 824</u>	<u>\$ 610,689</u>	<u>\$ 2,769,371</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Checks outstanding in excess of deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	-	4,375	-	5,680	-	-	10,055
Total liabilities	<u>\$ -</u>	<u>\$ 4,375</u>	<u>\$ -</u>	<u>\$ 5,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,055</u>
Fund Balances:							
Restricted for:							
Perpetual care	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 541,967	\$ 541,967
Redevelopment	-	1,729,072	100,812	-	-	-	1,829,884
Assigned for:							
Municipal building	-	-	-	-	824	-	824
Special revenues	206,437	-	-	111,482	-	-	317,919
Unassigned	-	-	-	-	-	68,722	68,722
Total fund balances	<u>\$ 206,437</u>	<u>\$ 1,729,072</u>	<u>\$ 100,812</u>	<u>\$ 111,482</u>	<u>\$ 824</u>	<u>\$ 610,689</u>	<u>\$ 2,759,316</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 206,437</u>	<u>\$ 1,733,447</u>	<u>\$ 100,812</u>	<u>\$ 117,162</u>	<u>\$ 824</u>	<u>\$ 610,689</u>	<u>\$ 2,769,371</u>

**AMERICAN FORK CITY**  
**Non-Major Governmental Funds**  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2015

	PARC Tax Fund	Redevelopment Agency	Special Revenue Downtown Redevelopment	Celebration Committee	Building Authority	Permanent Cemetery Care	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ -	\$ 1,296,949	\$ -	\$ -	\$ -	\$ -	\$ 1,296,949
Charges for services	-	-	-	95,486	-	42,500	137,986
Other fees, services and taxes	206,437	-	-	-	-	1,475	207,912
Interest income	-	21,038	1,194	-	-	21,633	43,865
Total revenues	206,437	1,317,987	1,194	95,486	-	65,608	1,686,712
<b>EXPENDITURES</b>							
Current:							
Interest	-	87,554	-	-	-	-	87,554
Public improvements	-	1,009,325	-	-	-	-	1,009,325
Parks and recreation	-	-	-	107,721	-	-	107,721
Total expenditures	-	1,096,879	-	107,721	-	1,600	1,206,200
Excess revenues over (under) expenditures	206,437	221,108	1,194	(12,235)	0	64,008	480,512
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	60,500	200	-	60,700
Transfers out	-	(564,000)	-	-	-	(1,707)	(565,707)
Total other financing sources and uses	-	(564,000)	-	60,500	200	(1,707)	(505,007)
Excess of revenues and other sources over (under) expenditures and other uses	206,437	(342,892)	1,194	48,265	200	62,301	(24,495)
Fund balances - beginning of year	-	2,071,964	99,618	63,217	624	548,388	2,783,811
Fund balances - end of year	\$ 206,437	\$ 1,729,072	\$ 100,812	\$ 111,482	\$ 824	\$ 610,689	2,759,316



## General Fund

The general fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds.

**AMERICAN FORK CITY**  
**General Fund**  
Balance sheet  
June 30, 2015

	General Fund
<b>ASSETS</b>	
Petty cash	\$ 400
Cash and cash equivalents	5,800,920
Property taxes recievable	3,818,081
Sales taxes receivable	1,491,201
Receivables, net of allowance	
Intergovernmental	-
Garbage billing	4,725
Other	954,749
Other Financing source (use)	-
Inventory	22,289
Total assets	<u>\$ 12,092,365</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 582,842
Accrued salaries, wages, and benefits	302,543
Accrued compensated absences	317,216
Due to other funds	80,150
Performance bonds payable	2,263,676
Due to other entities	160
Total liabilities	<u>3,546,587</u>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Unearned Property Taxes-levied for future years	<u>3,630,132</u>
	<u>3,630,132</u>
Fund Balances	
Fund balances reserved for:	-
Unassigned	<u>4,915,646</u>
Total fund balances	<u>4,915,646</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 12,092,365</u>

**AMERICAN FORK CITY**  
**General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual  
For the Year Ended June 30, 2015

	Budgeted Amounts		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues</b>			
<b>Taxes</b>			
Property taxes	\$ 3,600,000	\$ 3,765,424	\$ 165,424
Delinquent taxes	200,000	242,014	42,014
Sales taxes	6,200,000	6,548,967	348,967
Energy taxes	1,564,200	1,764,607	200,407
Franchise taxes	98,000	227,625	129,625
Motor vehicle fees	310,000	305,298	(4,702)
Telephone tax	450,000	342,547	(107,453)
Penalties and interest	13,000	6,034	(6,966)
Total	12,435,200	13,202,516	767,316
<b>Licenses and permits</b>			
Business licenses	120,000	136,727	16,727
Building permits	350,000	419,818	69,818
Other permits	35,600	59,021	23,421
Total	505,600	615,566	109,966
<b>Intergovernmental revenue</b>			
State and other grants	48,700	86,479	37,779
Road fund allotments	840,000	855,895	15,895
Liquor fund allotments	33,000	31,205	(1,795)
Total	921,700	973,579	51,879
<b>Charges for services</b>			
Fire protection	3,000	13,153	10,153
Ambulance fees	1,450,000	1,345,892	(104,108)
Sewer and Water allocation	1,068,000	1,068,000	-
Refuse collection/recycling	1,203,000	1,225,403	22,403
Total	3,724,000	3,652,448	(71,552)



**AMERICAN FORK CITY**  
**General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual  
For the Year Ended June 30, 2015 (continued)

	Budgeted Amounts		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues (continued)</b>			
<b>Lease payments and other fees</b>			
Safety contracts	\$ 417,600	\$ 484,423	\$ 66,823
Recreation fees	373,400	377,839	4,439
Library fees	43,500	45,046	1,546
Library development	6,300	9,073	2,773
Development Fees	261,400	348,259	86,859
Senior citizens fees	170,300	187,159	16,859
Boat harbor fees	85,000	57,036	(27,964)
Utility late fees	31,000	45,249	14,249
State reimbursement and rent	447,700	447,844	144
Other Fees	21,000	23,098	2,098
Total	1,857,200	2,025,026	167,826
<b>Cemetery fees</b>			
Sale of lots	35,000	113,198	78,198
Other Cemetery	76,000	78,150	2,150
Grave opening fees	4,900	3,120	(1,780)
Total	115,900	194,468	78,568
<b>Fines and forfeitures</b>			
Fines	300,000	362,484	62,484
Police reimbursement	27,600	25,217	(2,383)
Traffic school	102,900	117,582	14,682
Total	430,500	505,283	74,783
<b>Miscellaneous revenues</b>			
Interest earnings	30,000	47,453	17,453
Sale of surplus property and equipme	10,000	-	(10,000)
Other revenue	79,000	163,107	84,107
Total	119,000	210,560	91,560
Total revenues	20,109,100	21,379,446	1,270,346

**AMERICAN FORK CITY**  
**General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual  
For the Year Ended June 30, 2015 (continued)

	Budgeted Amounts		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Expenditures</b>			
<b>General Government</b>			
Administration	\$ 1,477,000	\$ 1,279,944	\$ 197,056
Legislative	168,500	153,943	14,557
Legal	466,500	365,773	100,727
Executive	94,700	59,633	35,067
Data processing	244,400	233,122	11,278
Public works	238,400	235,239	3,161
Building and grounds	1,035,000	971,953	63,047
Total	3,724,500	3,299,607	424,893
<b>Public safety</b>			
Police department	4,566,500	4,447,759	118,741
Fire/Ambulance Dept	2,873,800	2,846,970	26,830
Total	7,440,300	7,294,729	145,571
<b>Public improvements</b>			
Engineering	544,700	537,558	7,142
Inspection department	430,700	364,503	66,197
Streets	1,721,500	1,603,880	117,620
Total	2,696,900	2,505,941	190,959
<b>Parks and recreation</b>			
Parks department	893,000	859,331	33,669
Senior citizens	93,000	92,425	575
Boat harbor	63,700	42,106	21,594
Recreation department	596,900	576,820	20,080
Cemetery	636,700	567,769	68,931
Citizen Committee	66,100	53,187	12,913
Total	2,349,400	2,191,638	157,762

**AMERICAN FORK CITY**  
**General Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual  
For the Year Ended June 30, 2015 (continued)

	Budgeted Amounts		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Other</b>			
Sanitation	1,158,400	1,138,578	19,822
Library	784,700	750,379	34,321
Literacy Center	44,000	24,415	19,585
Planning	335,700	322,667	13,033
Miscellaneous	74,600	52,431	22,169
Total	2,397,400	2,288,470	108,930
 Total expenditures	 18,608,500	 17,580,385	 1,028,115
 Excess of revenues over expenditures	 1,500,600	 3,799,061	 2,298,461
<b>Other financing sources (uses)</b>			
Transfers in	2,530,800	280,690	(2,250,110)
Transfers out	(4,031,400)	(4,020,222)	11,178
Total other financing sources (uses)	(1,500,600)	(3,739,532)	(2,238,932)
 Deficiency of revenues and other financing sources over expenditures and other financing uses	 -	 59,529	 \$ 59,529
 Fund balance at beginning of year	 5,085,476	 5,085,476	
Restated Fund Balance	(229,359)	(229,359)	
Fund balance at end of year	\$ 4,856,117	\$ 4,915,646	



## General Fund Analysis

**AMERICAN FORK CITY**  
**General Fund**  
Analysis of Expenditures  
For the Year Ended June 30, 2015

	2015				
	Salaries, Wages and Benefits	Materials, Supplies, and Core Services	Other Charges	Equipment	Total
<b>General Government</b>					
Administration	\$ 867,176	\$ 36,455	\$ 376,312	\$ -	\$ 1,279,944
Council	100,477	-	53,466	-	153,943
Legal	-	-	365,773	-	365,773
Executive	20,115	-	39,518	-	59,633
Data processing	-	-	180,434	52,688	233,122
Public works	205,230	14,902	15,107	-	235,240
Building and grounds	284,346	4,990	682,617	-	971,953
Total	1,477,344	56,347	1,713,229	52,688	3,299,608
<b>Public Safety</b>					
Police department	3,761,200	186,145	465,991	34,423	4,447,759
Fire/Ambulance department	2,340,495	224,229	250,745	31,501	2,846,970
Total	6,101,695	410,374	716,736	65,924	7,294,729
<b>Public Improvement</b>					
Engineering	421,528	61,377	53,908	746	537,558
Inspection department	320,360	1,071	42,002	1,070	364,503
Streets	543,272	98,725	961,883	-	1,603,880
Total	1,285,159	161,173	1,057,793	1,816	2,505,941
<b>Parks and Recreation</b>					
Parks department	619,629	56,122	168,038	15,542	859,331
Senior citizens	20,272	-	72,153	-	92,425
Boat harbor	29,248	-	12,858	-	42,106
Recreation department	418,476	11,760	144,584	2,000	576,820
Cemetery department	473,270	40,232	51,767	2,500	567,769
Citizen Committees	-	-	53,187	-	53,187
Total	1,560,895	108,114	502,588	20,042	2,191,639
<b>Other</b>					
Sanitation	-	-	1,138,578	-	1,138,578
Library department	597,862	14,419	130,879	7,219	750,380
Literacy center	19,820	1,244	1,719	1,632	24,415
Planning commission	311,016	3,413	8,238	-	322,666
Miscellaneous	-	-	52,431	-	52,432
Total	928,698	19,076	1,331,844	8,851	2,288,470
Total Expenditures	\$ 11,353,791	\$ 755,085	\$ 5,322,190	\$ 149,320	\$ 17,580,386

**AMERICAN FORK CITY**  
**General Fund**

Comparative Five Year Schedule of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended June 30, 2015

	2015	2014	2013	2012	2011
<b>Revenues</b>					
Taxes	\$ 13,202,518	\$ 12,779,577	\$ 12,204,571	\$ 11,853,351	\$ 11,073,218
Licenses and permits	615,566	514,042	725,491	426,757	395,073
Intergovernmental revenue	973,579	903,488	956,816	1,016,569	1,025,270
Charges for services	3,652,448	3,505,709	3,666,265	3,133,347	3,153,089
Lease payments and other fees	2,025,026	1,737,258	1,723,900	862,240	933,524
Cemetery fees	194,468	103,713	114,503	110,080	92,029
Fines and forfeitures	505,283	296,228	337,822	844,292	940,839
Other revenues	210,560	512,044	374,837	414,690	375,560
Total revenues	<u>21,379,447</u>	<u>20,352,059</u>	<u>20,104,205</u>	<u>18,661,326</u>	<u>17,988,602</u>
<b>Expenditures</b>					
General government	3,299,609	3,193,085	2,804,078	3,077,211	2,783,295
Public safety	7,294,729	6,234,622	6,096,035	5,807,469	5,309,135
Public improvements	2,505,941	2,229,440	2,455,295	2,211,984	2,167,217
Sanitation	1,138,578	1,108,714	1,063,681	1,030,518	1,081,284
Parks and recreation	2,191,639	2,006,020	1,986,064	1,893,618	1,732,385
Library department	750,379	641,819	665,758	695,592	677,430
Planning commission	322,667	224,491	293,267	399,593	386,555
Learning Center	24,414	15,381	6,650	69,381	63,043
Miscellaneous	52,432	29,900	23,118	60,011	21,282
Total expenditures	<u>17,580,387</u>	<u>15,683,471</u>	<u>15,393,946</u>	<u>15,245,377</u>	<u>14,221,626</u>
Excess of revenues over expenditures	<u>3,799,060</u>	<u>4,668,588</u>	<u>4,710,259</u>	<u>3,415,949</u>	<u>3,766,976</u>
<b>Other financing sources (uses)</b>					
Net operating transfers in (out)	<u>(3,739,531)</u>	<u>(4,663,146)</u>	<u>(2,731,625)</u>	<u>(3,456,405)</u>	<u>(4,513,497)</u>
Total other financing sources (uses)	<u>(3,739,531)</u>	<u>(4,663,146)</u>	<u>(2,731,625)</u>	<u>(3,456,405)</u>	<u>(4,513,497)</u>
Excess (deficiencies) of revenues and other financing sources over (under) expenditures and other financing uses	59,529	5,442	1,978,634	(40,456)	(746,521)
Fund balances - beginning of year	5,085,476	5,080,034	3,101,400	3,140,856	3,887,377
Restated Fund Balance	(229,359)	-	-	-	-
Fund balances - end of year	<u>\$ 4,915,646</u>	<u>\$ 5,085,476</u>	<u>\$ 5,080,034</u>	<u>\$ 3,100,400</u>	<u>\$ 3,140,856</u>



## Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are set aside for expenditure for specified purposes.

**AMERICAN FORK CITY**  
**Special Revenue Funds**  
Combining Balance Sheet  
For the Year Ended June 30, 2015

	PARC Tax	Redevelopment Agency	Downtown Redevelopment	Celebration Committee	Building Authority	Fitness Center	Total Nonmajor Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 66,842	\$ 1,733,447	\$ 74,267	\$ 113,713	\$ 824	\$ 340,491	\$ 2,329,584
Property tax receivable	-	-	-	-	-	-	-
Note receivable	-	-	26,545	-	-	-	26,545
Accounts receivable	139,595	-	-	-	-	-	139,595
Due from other funds	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Inventory	-	-	-	3,449	-	12,509	15,958
Special Assessments	-	-	-	-	-	-	-
Total assets	<u>\$ 206,437</u>	<u>\$ 1,733,447</u>	<u>\$ 100,812</u>	<u>\$ 117,162</u>	<u>\$ 824</u>	<u>\$ 353,000</u>	<u>\$ 2,511,682</u>
<b>LIABILITIES</b>							
Liabilities							
Accounts payable and accrued liabilities	-	\$ 4,375	\$ -	\$ 5,680	\$ -	\$ 61,831	\$ 71,886
Accrued salaries and benefits payable	-	-	-	-	-	44,112	44,112
Total liabilities	<u>-</u>	<u>4,375</u>	<u>-</u>	<u>5,680</u>	<u>-</u>	<u>105,943</u>	<u>115,998</u>
Fund Balances							
Restricted for:							
Redevelopment	-	1,729,072	100,812	-	-	-	1,829,884
Assigned for:							
Municipal Building	-	-	-	-	824	-	824
Special Revenues	206,437	-	-	111,482	-	247,057	564,976
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>206,437</u>	<u>1,729,072</u>	<u>100,812</u>	<u>111,482</u>	<u>824</u>	<u>247,057</u>	<u>2,395,684</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$ 206,437</u>	<u>\$ 1,733,447</u>	<u>\$ 100,812</u>	<u>\$ 117,162</u>	<u>\$ 824</u>	<u>\$ 353,000</u>	<u>\$ 2,511,682</u>



**AMERICAN FORK CITY**  
**Special Revenue Funds**  
Combining Statement of Revenues, Expenditures, and Changes Fund Balances  
For the Year Ended June 30, 2015

	PARC Fund	Redevelopment Agency	Downtown Redevelopment	Celebration Committee	Building Authority	Fitness Center	Total Nonmajor Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ -	\$ 1,296,949	\$ -	\$ -	\$ -	\$ -	\$ 1,296,949
Ticket sales and concessions	-	-	-	95,486	-	-	95,486
General admissions	-	-	-	-	-	858,916	858,916
Other income and taxes	206,437	-	-	-	-	1,163,990	1,370,427
Interest income	-	21,038	1,194	-	-	559	22,791
Total revenues	206,437	1,317,987	1,194	95,486	-	2,023,465	3,644,569
<b>EXPENDITURES</b>							
Supplies	-	-	-	-	-	136,225	136,225
Interest Expense	-	87,554	-	-	-	-	87,554
Production costs	-	-	-	107,721	-	-	107,721
Salaries and wages	-	-	-	-	-	1,400,284	1,400,284
Utilities	-	-	-	-	-	236,164	236,164
Other	-	1,009,325	-	-	-	643,898	1,653,223
Total expenditures	-	1,096,879	-	107,721	0	2,416,571	3,621,171
Excess revenues over (under) expenditures	206,437	221,108	1,194	(12,235)	0	(393,106)	23,398
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	60,500	200	419,158	479,858
Transfers out	-	(564,000)	-	-	-	-	(564,000)
Total other financing sources and uses	-	(564,000)	-	60,500	200	419,158	(84,142)
Excess of revenues and other sources over (under) expenditures and other uses	-	(342,892)	1,194	48,265	200	26,052	(60,744)
Fund balances - beginning of year	-	2,071,964	99,618	63,217	624	249,343	2,484,766
Fund balances - beginning of year as restated	-	-	-	-	-	(28,338)	(28,338)
Fund balances - end of year	\$ 206,437	\$ 1,729,072	\$ 100,812	\$ 111,482	\$ 824	\$ 247,057	\$ 2,395,684

**AMERICAN FORK CITY**  
**PARC Tax**

Schedule of Revenues, Expenditures, and Changes Fund Balances

Budget to Actual

For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
PARC Sales Tax	\$ -	\$ 206,437	\$ 206,437
Total revenue	-	206,437	206,437
<b>Expenditures</b>			
Other	-	-	-
Total expenditures	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	206,437	206,437
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	206,437	206,437
Fund balances - beginning of year	-	-	-
Fund balances - ending of year	\$ -	\$ 206,437	\$ 206,437

**AMERICAN FORK CITY**  
**Downtown Redevelopment**  
Schedule of Revenues, Expenditures, and Changes Fund Balances  
Budget to Actual  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Other income	\$ 3,900	\$ -	\$ (3,900)
Interest income	400	1,194	794
Total Revenues	<u>4,300</u>	<u>1,194</u>	<u>(3,106)</u>
<b>Expenditures</b>			
Other expenses	<u>4,300</u>	<u>-</u>	<u>4,300</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,194</u>	<u>1,194</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	1,194	1,194
Fund balances - beginning of year	<u>99,618</u>	<u>99,618</u>	<u>-</u>
Fund balances - ending of year	<u>\$ 99,618</u>	<u>\$ 100,812</u>	<u>\$ 1,194</u>

**AMERICAN FORK CITY  
Celebration Committee**

Schedule of Revenues, Expenditures, and Changes Fund Balances

Budget to Actual

For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Ticket sales and concessions	\$ 85,400	\$ 95,486	\$ 10,086
<b>Expenditures</b>			
Production costs	145,900	107,721	38,179
Excess (deficiency) of revenues over (under) expenditures	(60,500)	(12,235)	(28,093)
<b>Other financing sources</b>			
Transfers in	60,500	60,500	-
	60,500	60,500	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	48,265	48,265
Fund balances - beginning of year	63,217	63,217	-
Fund balances - ending of year	\$ 63,217	\$ 111,482	\$ 48,265

**AMERICAN FORK CITY**  
**Building Authority**  
Schedule of Revenues, Expenditures, and Changes Fund Balances Budget to Actual  
For the Year Ended June 30, 2015

	<u>Budgeted Amounts</u>		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
<b>Revenue</b>			
Total revenue	\$ -	\$ -	\$ -
<b>Expenditures</b>			
Operating Expenditures	200	-	200
Total expenditures	200	-	200
Excess (deficiency) of revenues over (under) expenditures	(200)	-	200
<b>Other financing sources</b>			
Transfers in	200	200	-
Total other financing sources	200	200	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	200	200
Fund balances - beginning of year	624	624	-
Fund balances - ending of year	<u>\$ 624</u>	<u>\$ 824</u>	<u>\$ 200</u>

**AMERICAN FORK CITY**  
**Redevelopment Agency Fund**  
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget to Actual  
For Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Property taxes	\$ 1,446,300	\$ 1,296,949	\$ (149,351)
Interest income	12,000	21,038	9,038
Other	788,700	-	(788,700)
Total revenues	<u>2,247,000</u>	<u>1,317,987</u>	<u>(929,013)</u>
<b>Expenditures</b>			
Interest Expense	-	87,554	87,554
Public improvements	1,675,000	1,009,325	665,675
Total expenditures	<u>1,675,000</u>	<u>1,096,879</u>	<u>753,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>572,000</u>	<u>221,108</u>	<u>(350,892)</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	(572,000)	(564,000)	8,000
Total other financing sources (uses)	<u>(572,000)</u>	<u>(564,000)</u>	<u>8,000</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(342,892)	(342,892)
Fund balances - beginning of year	2,071,964	2,071,964	-
Fund balances - ending of year	<u>\$ 2,071,964</u>	<u>\$ 1,729,072</u>	<u>\$ (342,892)</u>

*Remainder of page intentionally left blank*



## Debt Service Fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**AMERICAN FORK CITY**  
**Debt Service Fund**  
Balance Sheet  
Period Ended June 30, 2015

**ASSETS**

Cash - checking	\$	494,694
Cash - state treasurer's pool		<u>442,802</u>
Total assets	\$	<u><u>937,496</u></u>

**LIABILITIES AND FUND BALANCE**

Liabilities		
Fund balance		
Restricted for debt service		-
Unassigned		<u>937,496</u>
Total fund balance		<u>937,496</u>
Total liabilities and fund balance	\$	<u><u>937,496</u></u>

*Remainder of page intentionally left blank*



**AMERICAN FORK CITY**  
**Debt Service Fund**  
Schedule of Revenues, Expenditures, and Changes Fund Balances, Budget to Actual  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
Interest income	\$ 1,400	\$ 1,665	\$ 265
<b>Expenditures</b>			
Bond principal	1,997,800	3,622,778	(1,624,978)
Bond interest and fees	333,700	336,251	(2,551)
Other Costs	50,000	40,204	9,796
Total expenditures	2,381,500	3,999,233	(1,617,733)
Excess (deficiency) of revenues over (under) expenditures	(2,380,100)	(3,997,568)	(1,617,468)
<b>Other financing sources (uses)</b>			
Bond Proceeds	-	1,684,000	1,684,000
Transfers in	2,380,100	2,380,100	-
Total other financing sources (uses)	2,380,100	4,064,100	1,684,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	66,532	66,532
Fund balances - beginning of year	870,964	870,964	-
Fund balances - ending of year	\$ 870,964	\$ 937,496	\$ 66,532

*Remainder of page intentionally left blank*



## Capital Projects Fund

**AMERICAN FORK CITY**  
**Capital Projects Fund**  
Combining Statement of Net Assets  
June 30, 2015

**ASSETS**

Current assets:

Cash - operating	\$ 1,350,108
Cash - state treasurer's pool	2,169,832
A/r Intergovernmental	196,853
Impact fees	2,924,396
Accounts Receivable	3,368
Total assets	<u>\$ 6,644,557</u>

**LIABILITIES AND FUND BALANCE**

Outstanding checks in excess of deposits	-
Accounts payable and accrued expenses	1,273,868
Developer reimbursement payable	49,049
Due to other entities	-
Due to other funds	584,082
Total liabilities	<u>1,906,999</u>

Fund balance restricted for:

Impact fees	2,924,396
-------------	-----------

Assigned for:	-
---------------	---

Capital projects	1,813,162
Total fund balance	<u>4,737,558</u>

Total liabilities and fund balance	<u>\$ 6,644,557</u>
------------------------------------	---------------------

*Remainder of page intentionally left blank*

**AMERICAN FORK CITY**  
**Capital Projects Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget to Actual  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Intergovernmental	\$ 50,000	\$ 854,840	\$ 804,840
Interest	26,000	25,500	(500)
Other income	3,219,900	85,559	(3,134,341)
Impact fees	969,000	1,080,634	111,634
Total revenues	4,264,900	2,046,533	(2,218,367)
<b>EXPENDITURES</b>			
Public safety	504,500	502,349	2,151
Buildings and Property	569,000	167,013	401,987
Public works	389,500	285,197	104,303
Parks and Recreation	400,100	363,288	36,812
Other projects and equipment acquisitions	3,869,100	3,761,367	107,733
Principal	279,000	278,377	623
Interest	9,300	27,889	(18,589)
Total expenditures	6,020,500	5,385,480	635,020
Excess (deficit) of revenues over (under) expenditures	(1,755,600)	(3,338,947)	(1,583,347)
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance Lease	-	251,350	251,350
Transfers in	2,021,000	2,059,822	38,822
Transfers out	(265,400)	(265,400)	-
Total other financing sources (uses)	1,755,600	2,045,772	290,172
Net change in fund balance	-	(1,293,175)	(1,293,175)
Fund balances	6,030,734	6,030,734	-
Fund balances - ending	\$ 6,030,734	\$ 4,737,559	\$ (1,293,175)



## Perpetual Care Fund

The perpetual care fund is used to account for the resources that are restricted for cemetery care. The principal can only be used for cemetery care, but the earnings of the fund can be used to support other government programs.

**AMERICAN FORK CITY**  
**Perpetual Care Fund**  
Combining Balance Sheet  
Period Ended June 30, 2015

**ASSETS**

Current assets:

Cash	\$ 33,057
Accounts receivable - net	1,400
Due from other funds	80,150
Note receivable	496,082
Total assets	<u>\$ 610,689</u>

**Fund Balance**

Total Restricted Fund Balance	<u>\$ 610,689</u>
-------------------------------	-------------------

*Remainder of page intentionally left blank*

**AMERICAN FORK CITY**  
**Perpetual Care Fund**  
Schedule of Revenues, Expenditures, and Changes in Fund Balances, Budget to Actual  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenue</b>			
Cemetery care	\$ 11,300	\$ 42,500	\$ 31,200
Interest income	3,400	21,633	18,233
Loan Payment-Lot Sales		1,475	1,475
Contribution from Fund Surplus	500,000	-	-
Total revenues	<u>514,700</u>	<u>65,608</u>	<u>50,908</u>
<b>Expenditures</b>			
Cemetery care	<u>511,300</u>	<u>1,600</u>	<u>509,700</u>
Total Expenditures	<u>511,300</u>	<u>1,600</u>	<u>509,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,400</u>	<u>64,008</u>	<u>60,608</u>
<b>Other financing sources</b>			
Transfers out	<u>(3,400)</u>	<u>(1,707)</u>	<u>1,693</u>
Total other financing sources	<u>(3,400)</u>	<u>(1,707)</u>	<u>1,693</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	511,300	62,301	448,999
Fund balances - beginning of year	<u>548,388</u>	<u>548,388</u>	<u>-</u>
Fund balances - ending of year	<u>\$ 1,059,688</u>	<u>\$ 610,689</u>	<u>\$ 448,999</u>



# Proprietary Funds

The proprietary funds are used to account for the business-like activities of the City.



**AMERICAN FORK CITY**  
**Proprietary Funds**  
Combining Statement of Net Position  
June 30, 2015

	Business-Type Activities - Enterprise		
	Sewer and Water Fund	Broadband Fund	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 9,700,115	\$ 195,821	\$ 9,895,936
Accounts receivable - net of allowance	1,152,162	56,040	1,208,202
Note receivable - current portion	5,898	500,000	505,898
Due from other funds	88,000	-	88,000
Total current assets	<u>10,946,175</u>	<u>751,861</u>	<u>11,698,036</u>
Noncurrent assets:			
Note receivable - long-term	447,209	-	447,209
Net Pension Asset	504	-	504
Capital assets			
Land	765,003	-	765,003
Water stock	19,101,234	-	19,101,234
Buildings and improvements	101,194,570	1,204,977	102,399,547
Machinery and equipment	1,816,014	167,653	1,983,667
Less: accumulated depreciation	<u>(32,199,787)</u>	<u>(602,746)</u>	<u>(32,802,533)</u>
Total capital assets	<u>91,124,747</u>	<u>769,884</u>	<u>91,447,422</u>
Restricted cash and cash equivalents	<u>60,910</u>	<u>-</u>	<u>60,910</u>
Total noncurrent assets	<u>91,185,657</u>	<u>769,884</u>	<u>91,955,541</u>
Total assets	<u>102,131,832</u>	<u>1,521,745</u>	<u>103,653,577</u>

**AMERICAN FORK CITY**  
**Proprietary Funds**  
Combining Statement of Net Assets (*Continued*)  
Period Ended June 30, 2015

**DEFERRED OUTFLOW OF RESOURCES**

Bonding refunding cost	525,728	-	525,728
Pension Related	97,079	13,412	110,491
Total deferred outflow of resources	<u>622,807</u>	<u>13,412</u>	<u>636,219</u>

**LIABILITIES**

Current liabilities:

Outstanding checks in excess of deposits	-	3,166,906	3,166,906
Accounts payable and accrued expenses	693,424	640	694,064
Accrued salaries and benefits payable	38,379	5,488	43,867
Due to other entities	45,634	-	45,634
Bond interest payable	289,892	-	289,892
Long-term debt, current portion	1,380,829	-	1,380,829
Compensated absences	54,996	4,936	59,932
Total current liabilities	<u>2,503,154</u>	<u>3,177,970</u>	<u>5,681,124</u>

Noncurrent liabilities:

Customer deposits	212,646	-	212,646
Net Pension Liability	414,522	56,977	471,499
Long-term debt	41,727,759	-	41,727,759
Compensated absences	30,924	3,322	34,246
Total noncurrent liabilities	<u>42,385,851</u>	<u>60,299</u>	<u>42,446,150</u>
Total liabilities	<u>44,889,005</u>	<u>3,238,269</u>	<u>48,127,274</u>

**DEFERRED OUTFLOW OF RESOURCES**

Pension Related	59,491	8,177	67,668
Total deferred outflow of resources	<u>59,491</u>	<u>8,177</u>	<u>67,668</u>

**NET POSITION**

Net investment in capital assets	47,926,204	769,884	48,696,088
Restricted - capital projects	60,910	-	60,910
Unrestricted	9,819,029	(2,481,173)	7,337,856
Total net position	<u>\$ 57,806,143</u>	<u>\$ (1,711,289)</u>	<u>\$ 56,094,854</u>

**AMERICAN FORK CITY**  
**Proprietary Funds**  
Combining Schedule of Revenues, Expenditures, and Changes Net Assets  
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer and Water Fund	Broadband Fund	Total
<b>Operating revenues:</b>			
Charges for services	\$11,900,324	\$ 231,187	\$ 12,131,511
Other operating income	777,385	-	777,385
Total operating revenues	12,677,709	231,187	12,908,896
<b>Operating expenses:</b>			
Salaries, wages and employee benefits	1,380,615	201,606	1,582,221
Supplies and materials	451,720	39,974	491,694
Professional and technical	268,642	9,605	278,247
Depreciation and amortization	2,482,785	47,374	2,530,159
Other	4,713,278	1,732	4,715,010
Total operating expenses	9,297,040	300,291	9,597,331
Operating income	3,380,669	(69,104)	3,311,565
<b>Nonoperating revenues (expenses):</b>			
Interest revenue	7,391	998	8,389
Grant Proceeds	251,166		251,166
Interest expense and fiscal charges	(2,178,448)	-	(2,178,448)
Gain on sale of assets	-	-	-
Total nonoperating revenues (expenses)	(1,919,891)	998	(1,918,893)
Net income (loss) before contributions and transfers	1,460,778	(68,106)	1,392,672
Capital contributions	30,226	-	30,226
Impact Fees	687,855	-	687,855
Transfers out	(349,141)	-	(349,141)
Total contributions and transfers	368,940	-	368,940
Change in net positions	1,829,718	(68,106)	1,761,612
Total net positions - beginning	\$55,976,425	\$ (1,643,183)	\$ 54,333,242
Total net positions - ending	\$57,806,143	\$ (1,711,289)	\$ 56,094,854

**AMERICAN FORK CITY**  
**Proprietary Funds**  
Combining Statement of Cash Flows  
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer and Water	Broadband	Total BTAs
<b>Cash Flows From Operating Activities</b>			
Receipts from customers	\$ 12,425,380	\$ 184,629	\$ 12,610,009
Payments to suppliers	(4,982,488)	(64,138)	(5,046,626)
Payments to employees	(1,436,335)	(214,197)	(1,650,532)
Net cash provided (used) by operating activities	6,006,557	(93,706)	5,912,851
<b>Cash Flows From Noncapital Financing Activities</b>			
Change in outstanding checks in excess of deposits		98,536	98,536
Cash paid to other funds	(349,141)	-	(349,141)
Cash received from other funds	-	-	-
Net cash provided (used) by noncapital financing activities	(349,141)	98,536	(250,605)
<b>Cash Flows From Capital and Related Financing Activities</b>			
Cash received for impact fees	687,855	-	687,855
Capital Grant	251,166	-	251,166
Acquisition of capital assets	(3,152,981)	(5,828)	(3,158,809)
Proceeds from bond issuance	7,396,588	-	7,396,588
Loss on bond refunding	(525,728)	-	(525,728)
Principal paid on capital debt	(8,027,000)	-	(8,027,000)
Interest paid on capital debt	(2,069,068)	-	(2,069,068)
Net cash provided (used) by capital and related financing activities	(5,439,168)	(5,828)	(5,444,996)
<b>Cash Flows From Investing Activities</b>			
Interest and dividends received	7,391	998	8,389
Cash collected on note receivable	-	-	-
Net cash provided (used) by investing activities	7,391	998	8,389
Net increase (decrease) in cash and cash equivalents	225,639	-	225,639
Cash and cash equivalents - beginning	9,535,386	-	9,535,386
Cash and cash equivalents - ending	\$ 9,761,025	\$ -	\$ 9,761,025

**AMERICAN FORK CITY**  
**Proprietary Funds**  
Combining Statement of Cash Flows *(Continued)*  
For the Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds		
	Sewer and Water	Broadband	Total BTAs
<i>(Continued)</i>			
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 3,380,669	(69,104)	\$ 3,311,565
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	2,482,785	47,374	2,530,159
(Increase) decrease in accounts receivable	(252,329)	-	(252,329)
(Increase) decrease in due from other funds	-	(46,558)	(46,558)
Increase (decrease) in accounts payable	389,450	(12,827)	376,623
Increase (decrease) in accrued salaries and benefits	5,854	840	6,694
Increase (decrease) in due to other entities	8,831	-	8,831
Increase (decrease) in compensated absences	(1,094)	(5,118)	(6,212)
Increase (decrease) in deposits	52,871	-	52,871
Increase (decrease) in net pension liability	(100,744)	(13,848)	(114,592)
Increase (decrease) deferred inflows - pensions related	59,491	8,177	67,668
Total adjustments	2,686,368	(21,960)	2,664,408
Net cash provided (used) by operating activities	\$ 6,067,037	\$ (91,064)	\$ 5,975,973
Noncash investing, capital, and financing activities			
Contributions from contractors for:			
Water and Sewer Improvements	\$ (24,296)	\$ -	\$ (24,296)
Total Contributions from Contractor	\$ (24,296)		\$ (24,296)
Assets acquired through long-term debt	\$ -	\$ -	\$ -
Reconciliation of total cash and cash investments			
Cash and cash equivalents	\$ 9,700,115	\$ -	\$ 9,700,115
Restricted cash and cash equivalents	60,910	-	60,910
Total cash and cash investments	\$ 9,761,025	\$ -	\$ 9,761,025

**AMERICAN FORK CITY  
Water and Sewer Fund**

**Schedule of Revenues, Expenditures, and Changes Fund Balances, Budget to Actual  
For the Year Ended June 30, 2015**

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Water charges	\$ 6,622,600	\$ 6,191,859	\$ (430,741)
Sewer charges	5,314,000	5,708,465	394,465
Other income	4,671,300	777,385	(3,893,915)
Total revenues	16,607,900	12,677,709	(3,930,191)
<b>Operating Expenses</b>			
Salaries, wages and employee benefits	1,975,800	1,380,615	595,185
Materials and supplies	367,000	451,720	(84,720)
Utilities and telephone	5,700	7,629	(1,929)
Professional and technical	230,500	268,642	(38,142)
Timpanogos Special Service District	2,800,000	2,543,353	256,647
Water assessment fees	966,100	543,031	423,069
Other	4,684,000	1,619,265	3,064,735
Depreciation	2,635,000	2,482,785	152,215
Total operating expenses	13,664,100	9,297,040	4,367,060
Operating income (Loss)	2,943,800	3,380,669	436,869
<b>Non-operating income (expense)</b>			
Interest income	8,600	7,391	(1,209)
Intergovernmental Grant	310,000	251,166	
Bond interest expense	(2,067,900)	(2,178,448)	(110,548)
Bond principal payments	(1,282,000)	-	1,282,000
Total non-operating income (expense)	(3,031,300)	(1,919,891)	1,170,243
Income before contributions and transfers	(87,500)	1,460,778	1,607,112
<b>Contributions and transfers</b>			
Capital contributions	-	30,226	30,226
Impact fees	497,100	687,855	190,755
Transfers in	-	-	-
Transfers out	(409,600)	(349,141)	60,459
Total contributions and transfers	87,500	368,940	281,440
Change in net positions	-	1,829,718	1,829,718
Net positions - beginning	55,976,425	55,976,425	-
Net positions - ending	\$ 55,976,425	\$ 57,806,143	\$ 1,829,718

**AMERICAN FORK CITY  
Broadband Fund**

Schedule of Revenues, Expenditures, and Changes Fund Balances, Budget to Actual  
For the Year Ended June 30, 2015

	Budget	Actual	Variance Favorable (Unfavorable)
<b>Operating Revenues</b>			
Internet fees	\$ 116,600	\$ 231,187	\$ 114,587
Connection fees	-	-	-
Other income	1,320,000	-	(1,320,000)
Total revenues	1,436,600	231,187	(1,205,413)
<b>Operating Expenses</b>			
Salaries, wages and employee benefits	215,400	201,606	13,794
Materials and supplies	5,900	4,832	1,068
Utilities	3,000	1,732	1,268
Other	1,146,500	35,142	1,111,358
Professional and technical	15,000	9,605	5,395
Depreciation	50,800	47,374	3,426
Total operating expenses	1,436,600	300,291	1,136,309
Operating income (loss)	-	(69,104)	(69,104)
<b>Non-operating income (expense)</b>			
Interest income	-	998	998
Total non-operating income (expense)	-	998	998
Change in net position	-	(68,106)	(68,106)
Net position - beginning	(1,643,183)	(1,643,183)	-
Net position - ending	\$ (1,643,183)	\$ (1,711,289)	\$ (68,106)



## Additional Auditors' Reports

These additional reports are required by *Governmental Auditing Standards* and the Utah State Auditor's Office, respectively.





**GILBERT & STEWART**  
CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDEL A HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H PROBST, CPA  
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and Members of the City Council  
American Fork City  
American Fork, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of American Fork City (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2015

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the American Fork City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control which might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests

disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

## **Gilbert & Stewart**

GILBERT & STEWART, CPA PC  
December 12, 2015



# GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS  
A PROFESSIONAL CORPORATION  
ESTABLISHED 1974

RANDEL A HEATON, CPA  
LYNN A. GILBERT, CPA  
JAMES A. GILBERT, CPA  
BEN H PROBST, CPA  
RONALD J. STEWART, CPA

SIDNEY S. GILBERT, CPA  
JAMES E. STEWART, CPA

---

**INDEPENDENT AUDITOR'S REPORT IN ACCORDANCE WITH THE *STATE COMPLIANCE AUDIT GUIDE ON: COMPLIANCE WITH GENERAL STATE COMPLIANCE REQUIREMENTS***  
**COMPLIANCE FOR**  
**EACH MAJOR STATE PROGRAM, INTERNAL CONTROL OVER COMPLIANCE**  
**AND SCHEDULE OF EXPENDITURES OF STATE AWARDS**

Honorable Mayor and  
Members of the City Council  
American Fork City, Utah

**Report on Compliance with General State Compliance requirements and for Each Major State Program**

We have audited American Fork City's (the City) compliance with applicable general state and major state program compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, that could have a direct and material effect on the City or each of its major state programs for the year ended June 30, 2015.

General state compliance requirements were tested for the year ended June 30, 2015 in the following areas:

- Budgetary Compliance
- Fund Balance
- Utah Retirement Systems
- Tax Levy Revenue Recognition
- Restricted Tax
- Open and Public Meetings
- Grammar
- Conflicts of Interest
- General Compliance

The City received state funding from the following programs classified as major programs for the year ended June 30, 2015:

- B&C Road Funds (Department of Transportation)
- 900 West Funding

***Management's Responsibility***

Management is responsible for compliance with the general state requirements referred to above and the requirements of laws, regulations, contracts, and grants applicable to its state programs.

## ***Auditor's Responsibility***

Our responsibility is to express an opinion on the City's compliance based on our audit of the compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City and its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with general state compliance requirements and for each major state program. However, our audit does not provide a legal determination of the City's compliance.

## ***Opinion on General State Compliance Requirements and Each Major State Program***

In our opinion, American Fork City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the City or on its major state programs for the year ended June 30, 2015.

## **Report of Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the compliance requirements that could have a direct and material effect on the City or on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with general state compliance requirements and for each major state program and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a general state or major state program compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a general state or major state program compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a general state or major state program compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the State Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of State Awards as Required by the *State Compliance Audit Guide***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 12, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state awards is presented for purposes of additional analysis as required by the *State Compliance Audit Guide* and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state awards is fairly stated in all material respects in relation to the financial statements as a whole.

## **Gilbert & Stewart**

GILBERT & STEWART  
*Certified Public Accountants*  
December 12, 2015



## Statistical Section

The statistical section of a government's comprehensive annual financial report (CAFR) is the principal source of information regarding a government's economic condition.

The statistical section of the CAFR is designed to meet five objectives: 1) provide information on financial trends, 2) provide information on revenue capacity, 3) provide information on debt capacity, 4) provide demographic and economic information, and 5) provide operating information.

**AMERICAN FORK CITY**  
General Property Tax Levies and Collections

Year End 12/31	Total Taxes Assessed	Current Collections	Delinquent Collections	Total Collected	Percentage of Current Collection To Total Taxes Assessed	Percentage of Total Collections to Total Taxes Assessed
2014	\$ 4,265,081	\$ 3,984,334	\$ 239,870	\$ 4,224,204	93.4%	99.0%
2013	3,896,614	3,663,388	344,897	4,008,285	94.0%	100.0%
2012	3,851,323	3,557,369	275,600	3,832,969	90.8%	99.5%
2011	3,834,742	3,611,168	356,267	3,967,435	90.8%	100.0%
2010	3,744,381	3,398,338	203,333	3,601,671	90.8%	96.2%
2009	3,671,706	3,313,576	178,726	3,492,302	90.3%	95.1%
2008	3,576,173	3,286,524	183,639	3,470,163	91.9%	97.0%
2007	3,086,682	2,846,771	175,515	3,022,286	92.2%	97.9%
2006	2,937,118	2,744,307	178,422	2,922,729	93.4%	99.5%
2005	2,136,675	1,981,991	115,718	2,103,450	92.8%	98.4%
2004	2,044,935	1,899,077	116,119	2,022,740	92.9%	98.9%
2003	1,980,106	1,838,706	159,447	2,066,141	92.9%	100.0%
2002	1,875,014	1,645,261	163,205	1,814,164	87.7%	96.8%
2001	1,579,871	1,421,326	133,070	1,554,396	90.0%	98.4%
2000	1,532,992	1,386,417	118,486	1,504,903	90.4%	98.2%
1999	1,406,330	1,280,964	76,587	1,357,551	91.1%	96.5%
1998	1,314,776	1,216,895	53,855	1,270,750	92.6%	96.7%
1997	1,220,141	1,127,891	39,714	1,167,605	92.4%	95.7%
1996	1,114,771	1,064,158	41,840	1,105,998	95.5%	99.2%
1995	1,027,826	996,756	35,611	1,032,367	97.0%	100.0%
1994	1,003,865	952,345	31,294	983,639	94.9%	98.0%
1993	897,267	838,620	28,591	867,211	96.1%	96.7%
1992	847,042	806,533	29,688	836,221	95.2%	98.7%
1991	769,240	730,086	28,230	758,319	94.9%	98.6%
1990	729,987	683,291	41,832	725,123	93.6%	99.3%
1989	729,944	681,276	46,172	727,448	93.3%	99.7%
1988	728,819	650,374	37,328	687,702	89.2%	94.4%
1987	738,066	657,797	49,324	707,121	89.1%	95.8%
1986	711,782	633,373	42,597	675,970	89.0%	95.0%
1985	689,701	614,114	53,239	667,353	89.0%	96.8%
1984	586,759	524,010	32,159	556,169	89.3%	94.8%

Source: Utah County Treasurer's Office

Note: If total collections for year ( including collections in subsequent years) are over 100% of levy,  
" percentage of levy" has been rounded to 100%

**AMERICAN FORK CITY**  
**Net Assets by Component**  
Ten Fiscal Years  
(Accrual basis of accounting)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Fiscal Year</u> <u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities										
Invested in capital assets, net of related debt	\$ 44,714,801	\$ 49,121,818	\$ 56,355,612	\$ 54,937,813	\$ 56,223,597	\$ 57,444,244	\$ 63,582,936	\$ 68,037,854	\$ 71,127,403	\$ 77,235,965
Restricted	957,335	1,306,143	1,466,818	1,927,465	1,507,322	1,104,029	750,241	5,506,968	5,183,412	5,296,247
Unrestricted	<u>2,750,596</u>	<u>7,753,316</u>	<u>5,082,933</u>	<u>9,823,894</u>	<u>11,037,290</u>	<u>11,397,457</u>	<u>10,709,268</u>	<u>8,920,178</u>	<u>9,904,569</u>	<u>5,851,287</u>
Total government activities net assets	<u>48,422,732</u>	<u>58,181,277</u>	<u>62,905,363</u>	<u>66,689,172</u>	<u>68,768,209</u>	<u>69,945,730</u>	<u>75,042,445</u>	<u>82,465,000</u>	<u>86,215,384</u>	<u>88,383,499</u>
Business-type activities										
Invested in capital assets, net of related debt	28,236,523	29,045,387	29,413,419	30,371,865	24,982,222	41,068,585	41,371,052	45,269,062	47,049,142	49,189,918
Restricted	342,458	509,729	44,676,742	19,792,271	780,940	688,409	366,150	450,740	320,639	60,910
Unrestricted	<u>16,402,993</u>	<u>18,985,297</u>	<u>(23,165,904)</u>	<u>118,029</u>	<u>24,844,906</u>	<u>9,026,278</u>	<u>8,888,759</u>	<u>6,099,071</u>	<u>7,493,681</u>	<u>6,844,026</u>
Total business-type activities net assets	<u>44,981,974</u>	<u>48,540,413</u>	<u>50,924,257</u>	<u>50,282,165</u>	<u>50,608,068</u>	<u>50,783,272</u>	<u>50,625,961</u>	<u>51,818,873</u>	<u>54,863,462</u>	<u>56,094,854</u>
Primary government										
Invested in capital assets, net of related debt	72,951,324	78,167,205	85,769,031	85,309,678	81,205,819	98,512,829	104,953,988	113,306,916	118,176,545	126,425,883
Restricted	1,299,793	1,815,872	46,143,560	21,719,736	2,288,262	1,792,438	1,116,391	5,957,708	5,504,051	5,357,157
Unrestricted	<u>19,153,589</u>	<u>26,738,613</u>	<u>(18,082,971)</u>	<u>9,941,923</u>	<u>35,882,196</u>	<u>20,423,735</u>	<u>19,598,027</u>	<u>15,019,249</u>	<u>17,398,250</u>	<u>12,695,313</u>
Total primary government net assets	<u>\$ 93,404,706</u>	<u>\$ 106,721,690</u>	<u>\$ 113,829,620</u>	<u>\$ 116,971,337</u>	<u>\$ 119,376,277</u>	<u>\$ 120,729,002</u>	<u>\$ 125,668,406</u>	<u>\$ 134,283,873</u>	<u>\$ 141,078,846</u>	<u>\$ 144,478,353</u>



**AMERICAN FORK CITY**  
**Changes in Net Position**  
**Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,528,811	\$ 1,219,973	\$ 2,879,228	\$ 3,076,279	\$ 2,788,774	\$ 3,055,046	\$ 3,295,300	\$ 2,890,554	\$ 3,159,806	\$ 3,246,024
Public safety	3,870,707	4,854,730	5,006,464	5,458,011	5,086,498	5,557,713	5,941,973	6,253,368	6,595,672	7,307,342
Public improvements	837,327	2,173,921	2,387,601	3,141,512	3,644,624	4,498,409	2,675,512	2,942,688	3,815,687	4,091,567
Parks and recreation	2,561,160	2,732,048	3,634,641	2,933,637	3,773,652	3,779,536	3,844,036	3,658,139	4,595,149	4,821,504
Other	3,138,093	3,319,258	2,972,697	3,399,805	2,673,129	2,856,238	3,012,007	3,439,593	2,126,310	2,286,097
Interest on long-term debt	1,319,465	1,404,864	1,097,556	1,058,356	1,023,842	843,567	707,453	570,466	463,498	420,068
Total governmental activities expense	<u>14,255,563</u>	<u>15,704,794</u>	<u>17,978,187</u>	<u>19,067,600</u>	<u>18,990,519</u>	<u>20,590,509</u>	<u>19,476,281</u>	<u>19,754,808</u>	<u>20,756,122</u>	<u>22,172,602</u>
Business-type activities										
Water and sewer	4,206,632	4,157,446	5,345,574	6,750,678	8,493,299	10,771,893	10,409,632	11,136,987	11,385,465	11,475,488
Broadband	1,043,739	1,226,210	1,128,852	822,148	697,509	627,666	526,548	456,574	313,049	300,291
Total business-type activities expense	<u>5,250,371</u>	<u>5,383,656</u>	<u>6,474,426</u>	<u>7,572,826</u>	<u>9,190,808</u>	<u>11,399,559</u>	<u>10,936,180</u>	<u>11,593,561</u>	<u>11,698,514</u>	<u>11,775,779</u>
Total primary government expenses	<u>19,505,934</u>	<u>21,088,450</u>	<u>45,231,202</u>	<u>26,640,426</u>	<u>28,181,327</u>	<u>31,990,068</u>	<u>30,412,461</u>	<u>31,348,369</u>	<u>32,454,636</u>	<u>33,948,381</u>
<b>Program Revenues</b>										
Governmental activities:										
Fees, Fines and Charges for Services										
General government	1,619,267	1,561,041	1,518,367	2,120,754	2,113,141	2,359,828	2,391,351	2,930,625	2,826,086	2,842,021
Public safety	1,508,108	1,691,651	1,838,491	1,157,813	1,145,352	1,553,995	1,466,218	1,829,863	1,657,404	1,916,989
Public improvements	228,462	198,758	139,503	358,266	-	-	-	-	-	-
Parks and recreation	1,318,843	1,653,039	1,905,539	2,342,928	2,229,031	2,146,883	2,224,513	2,676,950	2,580,805	3,088,685
Other	263,349	266,686	271,956	1,121,370	1,388,158	1,418,492	1,444,883	1,341,281	1,353,946	1,516,490
Operating grants and contributions	784,526	926,961	930,616	825,598	867,489	1,025,270	1,016,569	956,816	903,488	973,579
Capital grants and contributions	1,375,695	4,489,786	1,532,680	790,347	1,119,793	720,047	2,603,074	3,792,164	726,306	2,053,979
Total governmental activities programs revenues	<u>7,098,250</u>	<u>10,787,922</u>	<u>8,137,152</u>	<u>8,717,076</u>	<u>8,862,964</u>	<u>9,224,515</u>	<u>11,146,608</u>	<u>13,527,699</u>	<u>10,048,035</u>	<u>12,391,743</u>
Business-type activities:										
Charges for services:										
Water and Sewer	5,779,771	6,207,995	6,865,816	6,392,850	8,287,361	9,875,728	10,186,324	10,496,252	13,406,241	12,677,709
Broadband	805,661	438,431	558,783	193,480	195,572	258,309	187,345	233,974	217,380	231,187
Capital grants and contributions	3,860,878	3,309,045	2,111,484	47,170	325,838	1,500,194	465,969	1,536,480	563,106	969,247
Total business-type activities program revenues	<u>10,446,310</u>	<u>9,955,471</u>	<u>9,536,083</u>	<u>6,633,500</u>	<u>8,808,771</u>	<u>11,634,231</u>	<u>10,839,638</u>	<u>12,266,706</u>	<u>14,186,727</u>	<u>13,878,143</u>
Total primary governmental program revenues	<u>\$ 17,544,560</u>	<u>\$ 20,743,393</u>	<u>\$ 17,673,235</u>	<u>\$ 15,350,576</u>	<u>\$ 17,671,735</u>	<u>\$ 20,858,746</u>	<u>\$ 21,986,246</u>	<u>\$ 25,794,405</u>	<u>\$ 24,234,762</u>	<u>\$ 26,269,886</u>

**AMERICAN FORK CITY**  
**Changes in Net Position (*Continued*)**  
**Ten Fiscal Years**  
**(Accrual basis of accounting)**

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Net (Expense) Revenue</b>										
Governmental activities	\$ (7,157,314)	\$ (4,916,872)	\$ (9,841,036)	\$ (10,350,524)	\$ (10,127,555)	\$ (11,365,994)	\$ (8,329,674)	\$ (6,227,109)	\$ (10,701,622)	\$ (9,780,859)
Business-type activities	5,195,939	4,571,816	3,061,657	(939,326)	(382,037)	234,672	(96,542)	673,145	2,488,213	2,102,364
Total primary government net expense	(1,961,375)	(345,056)	(6,779,379)	(11,289,850)	(10,509,592)	(11,131,322)	(8,426,216)	(5,553,964)	(8,213,409)	(7,678,495)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Advalorem	3,252,007	4,234,198	4,247,794	5,164,096	5,269,656	5,290,281	5,673,259	5,497,187	5,606,622	5,833,877
Sales	4,810,204	5,755,237	6,041,850	5,406,026	4,935,413	5,095,374	5,534,281	5,910,616	6,235,351	6,548,967
Energy sales and use tax	1,257,056	1,153,990	1,314,569	1,354,933	1,421,454	1,390,990	1,443,249	1,564,161	1,660,027	1,764,609
Franchise	518,352	590,746	587,619	617,639	615,502	539,928	552,085	528,945	515,903	570,172
Interest income	611,079	706,141	648,178	335,917	106,389	89,923	111,844	93,645	34,178	119,041
Gain (loss) on sale/retirement of capital assets	(152)	83,058	12,000	(17,597)	77,678	38,919	(9,430)	-	83,532	(18,270)
Miscellaneous	826,216	991,045	552,111	-	-	-	-	-	-	-
Transfers	1,190,267	1,161,000	1,161,000	(308,200)	(219,400)	98,000	121,100	124,900	322,858	349,141
Total governmental activities	12,465,029	14,675,415	14,565,121	12,552,814	12,206,692	12,543,415	13,426,388	13,719,454	14,458,471	15,167,537
Business-type activities:										
Interest income	113,871	147,622	483,187	109,035	120,607	38,530	60,331	62,392	47,249	8,389
Gain (loss) on disposal of capital assets	-	-	-	-	367,933	-	-	582,274	831,983	-
Transfers	(1,190,267)	(1,161,000)	(1,161,000)	308,200	219,400	(98,000)	(121,100)	(124,900)	(322,858)	(349,141)
Total business-type activities	(1,076,396)	(1,013,378)	(677,813)	417,235	707,940	(59,470)	(60,769)	519,766	556,374	(340,752)
Total primary government	11,388,633	13,662,037	13,887,308	12,970,049	12,914,632	12,483,945	13,365,619	14,239,220	15,014,845	14,826,785
<b>Change in Net Assets</b>										
Governmental activities	5,307,715	9,758,543	4,724,085	2,202,290	2,079,137	1,177,421	5,096,714	7,492,345	3,756,849	5,386,678
Business-type activities	4,119,543	3,558,438	2,383,844	(522,091)	325,903	175,202	(157,311)	1,192,911	3,044,587	1,761,612
Total primary government	\$ 9,427,258	\$ 13,316,981	\$ 7,107,929	\$ 1,680,199	\$ 2,405,040	\$ 1,352,623	\$ 4,939,403	\$ 8,685,256	\$ 6,801,436	\$ 7,148,290

**AMERICAN FORK CITY**  
**Fund Balances, Governmental Funds**  
Ten Fiscal Years  
(Modified accrual basis of accounting)

	Fiscal Year										
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund											
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 169,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unassigned	1,574,127	2,220,613	2,350,589	2,474,680	3,653,921	3,887,377	3,140,856	3,101,400	5,080,031	5,085,473	4,915,646
Total general fund	<u>\$ 1,574,127</u>	<u>\$ 2,220,613</u>	<u>\$ 2,350,589</u>	<u>\$ 2,474,680</u>	<u>\$ 3,823,341</u>	<u>\$ 3,887,377</u>	<u>\$ 3,140,856</u>	<u>\$ 3,101,400</u>	<u>\$ 5,080,031</u>	<u>\$ 5,085,473</u>	<u>\$ 4,915,646</u>
All Other Governmental Funds											
Restricted	\$ 7,356,098	\$ 4,111,206	\$ 4,597,509	\$ 5,453,366	\$ 5,065,281	\$ 5,501,891	\$ 3,598,813	\$ 4,246,766	\$ -	\$ 5,183,412	\$ 5,296,247
Assigned	-	-	-	-	-	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-	117,122	209,416	192,162	312,560	564,976
Capital Projects Funds	-	-	-	-	-	-	5,227,300	3,305,204	5,537,119	3,560,872	1,813,162
Debt Service Funds	-	-	-	-	-	-	700,281	770,000	793,825	870,964	937,496
Non-Major Funds	-	-	-	-	-	-	114,466	89,373	2,886,525	624	824
Unassigned reported in:											
Special Revenue Funds	1,508,890	1,759,503	1,831,379	1,917,834	2,268,119	2,269,405	-	-	-	-	-
Capital Projects Funds	-	-	-	-	-	-	-	-	-	-	-
Debt Service Funds	586,154	660,744	658,504	690,420	669,170	670,268	-	-	-	-	-
Non-Major Funds	425,695	446,662	463,019	483,410	504,145	517,479	-	-	-	6,421	68,722
Total all other governmental funds	<u>\$ 9,876,837</u>	<u>\$ 6,978,115</u>	<u>\$ 7,550,411</u>	<u>\$ 8,545,030</u>	<u>\$ 8,506,715</u>	<u>\$ 8,959,043</u>	<u>\$ 9,757,982</u>	<u>\$ 8,620,759</u>	<u>\$ 9,409,631</u>	<u>\$ 9,934,853</u>	<u>\$ 8,681,427</u>

**AMERICAN FORK CITY**  
**Changes in Fund Balance, Governmental Funds**  
Ten Fiscal Years  
(Modified accrual basis of accounting)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>										
Taxes	\$ 9,837,618	\$ 11,734,171	\$ 12,191,832	\$ 12,347,622	\$ 12,103,638	\$ 12,462,621	\$ 13,149,836	\$ 13,532,623	\$ 14,089,752	\$ 14,499,467
Licenses, fees, and permits	670,562	556,086	462,946	241,239	246,687	395,073	426,757	725,491	514,042	615,566
Intergovernmental	789,076	927,211	940,116	811,147	867,489	1,025,270	2,701,902	2,793,857	903,488	1,828,419
Charges for services	1,478,382	1,577,596	1,771,468	2,782,303	2,878,105	3,349,109	3,336,093	3,862,975	3,585,168	3,790,434
Other fees and services	1,462,198	1,762,935	1,912,291	2,651,013	2,651,729	2,534,847	2,563,588	3,533,816	3,581,875	4,450,310
Fines and forfeitures	716,101	850,084	891,844	882,910	935,238	940,839	844,292	337,822	296,228	505,283
Interest income	611,079	706,141	648,178	335,917	285,892	89,923	111,844	93,645	83,533	119,042
Miscellaneous	1,450,711	1,698,327	1,189,918	569,260	807,076	1,054,168	1,274,031	2,250,978	1,177,311	1,329,301
Total Revenues	\$ 17,015,727	\$ 19,812,551	\$ 20,008,593	\$ 20,621,411	\$ 20,775,854	\$ 21,851,850	\$ 24,408,343	\$ 27,131,207	\$ 24,231,397	\$ 27,137,822
<b>Expenditures</b>										
General government	2,196,983	2,401,722	2,761,585	2,680,292	2,548,763	2,783,295	3,077,211	2,804,075	3,193,087	3,299,610
Public safety	3,442,318	3,913,139	4,209,233	4,643,140	4,752,452	5,309,135	5,807,469	6,096,035	6,234,622	7,294,729
Public improvements	1,661,359	2,153,445	2,113,378	2,290,561	2,914,270	3,263,774	2,389,844	3,059,266	3,186,887	3,515,264
Parks and Recreation	2,286,158	2,683,034	3,257,309	3,434,719	3,295,999	3,308,963	3,494,917	4,341,405	4,211,446	4,715,931
Other	1,968,734	2,156,931	2,604,969	2,510,765	2,509,787	2,733,750	2,846,528	2,052,477	2,023,758	2,330,273
Debt service										
Principal	2,401,000	2,324,000	2,407,572	2,118,000	2,143,000	2,222,000	5,896,613	2,264,709	2,123,297	3,901,155
Interest	1,309,229	1,223,904	1,124,990	1,026,699	1,099,881	858,174	809,761	582,523	468,297	451,694
Other								30,322	41,103	-
Capital outlay	6,038,139	3,411,560	1,508,761	1,850,207	805,940	1,851,798	3,810,830	4,351,615	2,787,682	5,079,214
Total expenditures	\$ 21,303,920	\$ 20,267,735	\$ 19,987,797	\$ 20,554,383	\$ 20,070,092	\$ 22,330,889	\$ 28,133,173	\$ 25,582,427	\$ 24,270,179	\$ 30,587,870
Excess of revenues over (under) expenditures	\$ (4,288,193)	\$ (455,184)	\$ 20,796	\$ 67,028	\$ 705,762	\$ (479,039)	\$ (3,724,830)	\$ 1,548,780	\$ (38,782)	\$ (3,450,048)

**AMERICAN FORK CITY**  
**Changes in Fund Balance, Governmental Funds (*Continued*)**  
Ten Fiscal Years  
(Modified accrual basis of accounting)

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Other Financing Sources (Uses)</b>										
Proceeds from debt	\$ 903,095	\$ 63,478	\$ -	\$ -	\$ -	\$ 433,460	\$ 777,051	\$ 1,092,000	\$ 199,684	\$ 251,350
Proceeds of refunding bonds	-	-	-	-	-	6,302,017	1,650,000	1,517,000	3,393,000	1,684,400
Payment to bond refunding escrow	-	-	-	-	-	(6,204,017)	-	(1,515,178)	(3,346,100)	-
Transfers in	3,931,323	8,496,146	7,650,997	5,691,260	5,878,699	-	6,865,814	3,835,875	61,561,192	5,200,470
Transfers out	(2,798,462)	(7,402,168)	(6,553,083)	(5,999,460)	(6,098,099)	-	(6,744,714)	(3,710,975)	(5,833,336)	(4,851,329)
Total other financing sources (uses)	<u>2,035,956</u>	<u>1,157,456</u>	<u>1,097,914</u>	<u>(308,200)</u>	<u>(219,400)</u>	<u>531,460</u>	<u>2,548,151</u>	<u>1,218,722</u>	<u>55,974,440</u>	<u>2,284,891</u>
Net change in fund balances	<u>\$ (2,252,237)</u>	<u>\$ 702,272</u>	<u>\$ 1,118,710</u>	<u>\$ (241,172)</u>	<u>\$ 486,362</u>	<u>\$ 52,421</u>	<u>\$ (1,176,679)</u>	<u>\$ 2,767,502</u>	<u>\$ 55,935,658</u>	<u>\$ (1,165,157)</u>
Debt service as a percentage of noncapital expenditures	24.3%	21.0%	19.1%	16.8%	16.8%	15.0%	27.6%	13.4%	12.1%	17.1%

\*\*\*Debt service as a percentage of noncapital expenditure uses capitalized outlay amount in the reconciliation of government-wide activities and the statement of revenues, expenditures and changes in fund balance in the formula.

**AMERICAN FORK CITY**  
**Assessed Value of Taxable Property**  
Ten Fiscal Years

Fiscal Year Assessed	Residential Property	Commerical and Industrial Property	Agricultural Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2006	\$ 574,692,439	\$ 423,463,368	\$ 14,613,139	\$ 1,012,768,946	0.003083	\$ 754,157,348	0.745
2007	701,447,907	443,687,345	14,712,287	1,159,847,539	0.002213	844,195,981	0.728
2008	926,368,668	530,544,958	13,605,654	1,470,519,280	0.002426	1,053,653,379	0.717
2009	930,608,004	641,112,237	14,358,487	1,586,078,728	0.002423	1,167,305,126	0.736
2010	835,300,357	812,736,169	5,040,067	1,653,076,593	0.002630	1,277,191,432	0.773
2011	800,214,557	755,695,968	2,849,791	1,558,760,316	0.002794	1,198,663,765	0.769
2012	777,929,770	712,426,278	3,486,865	1,493,842,913	0.002812	1,143,774,517	0.766
2013	740,688,571	668,162,214	80,519,369	1,489,370,154	0.002750	1,156,060,297	0.776
2014	769,590,106	682,494,650	77,760,174	1,529,844,930	0.002540	1,183,529,382	0.774
2015	872,674,743	722,415,578	77,261,505	1,672,351,826	0.002362	1,279,648,192	0.765

Source: Utah State Tax Commission - Property Tax Division, Utah County Assessor's Office

**AMERICAN FORK CITY**  
**Overlapping Property Tax Rates**  
Ten Fiscal Years  
(Rate per \$1,000 of assessed value)

Fiscal Year	City Direct Rates		Overlapping Rates					
	City Rates	Total Direct Rate	Utah County	Central Ut. Water Con. District	Alpine School District	State Assessing and Collecting	County Assessing and Collecting	North Utah Co. Water Conserv. District
2006	3.083000	3.083000	1.079	0.357	6.883	0.139	0.044	0.028
2007	2.213000	2.213000	0.843	0.302	6.937	0.121	0.036	0.022
2008	2.426000	2.426000	0.809	0.286	7.057	0.121	0.175	0.022
2009	2.423000	2.423000	0.878	0.400	7.541	0.142	0.183	0.024
2010	2.630000	2.630000	1.108	0.421	8.220	0.162	0.024	0.026
2011	2.794000	2.794000	1.143	0.436	8.812	0.172	0.114	0.027
2012	2.812000	2.812000	1.127	0.455	8.828	0.168	0.029	0.029
2013	2.750000	2.750000	1.006	0.446	8.699	0.158	0.095	0.028
2014	2.540000	2.540000	0.220	0.422	8.096	0.013	0.916	0.025
2015	2.362000	2.362000	0.870	0.405	8.177	0.012	0.216	0.024

**AMERICAN FORK CITY**  
**Principal Property Tax Payers**  
Current Year and Ten Years Ago

Taxpayer	2014			2004		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Wal-mart Real Estate	\$ 17,173,600	1	0.79%			
Pacificorp	15,362,473	2	0.71%			
AFCC II LLC	10,703,100	3	0.49%			
Questar Gas	10,613,626	4	0.49%			
American Fork Medical Investment	10,535,100	5	0.48%			
AFCC Limited	9,709,100	6	0.45%			
C&R North Pointe Building "C" LLC	9,687,700	7	0.44%			
HD Development of Maryland Inc	8,537,000	8	0.39%			
C&R North Pointe Building "E" LLC	8,480,700	9	0.39%			
Targer Corporation	8,456,200	10	0.39%			
AFCC Limited				\$ 14,638,419	1	0.21%
Qwest Corp FKA US West Comm				12,559,419	2	0.18%
Wal-Mart Real Estate				9,657,600	3	0.14%
Pacificorp				8,857,340	4	0.13%
TL Acquisition Corp				8,411,647	5	0.12%
Home Depot USA Inc				6,982,047	6	0.10%
Target Corporation				6,395,312	7	0.09%
Progression LLC				5,810,200	8	0.08%
Wal Mart Realty				5,209,138	9	0.07%
Tropical Development LLC				5,200,000	10	0.07%
Total	<u>\$ 109,258,599</u>		<u>5.02%</u>	<u>\$ 83,721,122</u>		<u>1.20%</u>

Source: Utah County Assessors Office



**AMERICAN FORK CITY**  
**Property Taxes Levied and Collections**  
Ten Fiscal Years

Fiscal Year Ended June 30,	Tax Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Current Collections	Percentage of Levy		Total Collections	Percentage of Levy
2006	2,136,675	1,981,991	92.76%	115,718	2,097,709	98.18%
2007	2,937,118	2,744,307	93.44%	178,422	2,922,729	99.51%
2008	3,057,731	2,846,771	93.10%	175,515	3,022,286	98.84%
2009	3,590,073	3,286,524	91.54%	183,639	3,470,163	96.66%
2010	3,671,498	3,313,576	90.25%	178,726	3,492,302	95.12%
2011	3,757,932	3,398,338	90.43%	203,333	3,601,671	95.84%
2012	3,846,022	3,611,168	93.89%	356,267	3,967,435	100.00%
2013	3,851,323	3,557,369	92.37%	288,341	3,845,710	99.85%
2014	3,896,614	3,663,388	94.01%	360,390	4,023,778	100.00%
2015	4,265,081	3,984,334	93.42%	249,547	4,233,881	99.27%

Source: Utah County Treasurer's Office

Note: If total collections for year ( including collections in subsequent years) are over 100% of levy,  
" percentage of levy" has been rounded to 100%

**AMERICAN FORK CITY**  
**Taxable Sales by Category**  
Ten Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Retail/Grocery	\$207,241	\$209,356	\$289,106	\$273,346	\$176,167	\$170,167	\$201,672	\$339,464	\$233,266	\$340,458
Retail/Other	1,560,940	1,761,845	2,064,327	1,948,562	1,572,752	1,594,982	1,700,798	1,837,090	1,891,148	2,079,944
Utility/Communication	285,333	314,499	369,300	498,779	395,471	404,294	398,162	433,668	482,345	522,747
Auto dealers, recreational retail & supplies	1,552,186	1,882,881	1,760,534	1,326,959	1,226,503	1,380,112	1,639,720	1,863,039	2,086,476	2,302,256
Auto repair and maintenance	70,599	56,246	67,439	66,405	56,595	56,982	86,397	97,746	92,595	106,652
Clothing retail	248,421	325,842	374,753	364,479	362,480	382,202	404,977	410,075	458,386	283,241
Eating & drinking establishments	431,051	509,587	550,787	575,565	595,826	626,293	692,444	702,486	766,549	805,768
Home furnishings and appliances	13,506	21,127	13,691	15,253	13,154	19,268	22,496	25,105	31,486	31,618
Health services and supplies	22,266	25,228	26,736	112,036	34,810	52,661	50,127	56,063	79,411	72,299
Service stations & car washes	81,379	97,482	93,598	74,787	70,559	81,527	212,491	167,078	139,970	116,428
Hair care & dry cleaning	21,948	24,805	36,071	34,341	35,365	35,366	38,901	39,960	46,933	59,267
Photography, floral art, cultural and hobby	72,738	80,950	104,757	86,133	76,216	96,699	131,854	155,997	161,884	164,799
Fitness and entertainment	148,419	173,111	203,193	134,557	191,471	163,365	203,564	203,935	227,074	253,559
Construction and home improvement	472,595	676,348	591,849	524,143	438,657	424,525	460,778	648,272	686,894	774,980
All other outlets	225,360	262,524	349,331	371,363	414,688	681,167	506,599	444,840	449,489	557,182
Utah State Tax- Motor Vehicle	58,127	77,566	64,000	65,945	60,156	50,631	62,204	63,060	65,528	81,762
Totals	<u>\$5,472,109</u>	<u>\$6,499,397</u>	<u>\$6,959,472</u>	<u>\$6,472,653</u>	<u>\$5,720,870</u>	<u>\$6,220,241</u>	<u>\$6,813,184</u>	<u>\$7,487,878</u>	<u>\$7,899,434</u>	<u>\$8,552,960</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: Utah State Tax Commission

Notes: Sales tax generated in American Fork City

All sales tax amounts reported here are shown on a cash-basis.

Sales tax shown here is reported on a POS (point of sale) basis; actual cash distributions will differ due to the distribution formula utilized by the State.

**AMERICAN FORK CITY**  
**Direct and Overlapping Sales Tax Rates**  
Ten Fiscal Years

<u>Fiscal Year</u>	<u>American Fork City Direct Rate</u>	<u>Utah County</u>	<u>State of Utah</u>	<u>Mass Transit Tax</u>	<u>PARC Tax</u>
2006	1.00%	0.25%	4.75%	0.25%	-
2007	1.00%	0.25%	4.75%	0.50%	-
2008	1.00%	0.25%	4.65%	0.55%	-
2009	1.00%	0.25%	4.70%	0.80%	-
2010	1.00%	0.25%	4.70%	0.80%	-
2011	1.00%	0.25%	4.70%	0.80%	-
2012	1.00%	0.25%	4.70%	0.80%	-
2013	1.00%	0.25%	4.70%	0.80%	-
2014	1.00%	0.25%	4.70%	0.80%	-
2015	1.00%	0.25%	4.70%	0.80%	0.10%

Sources: Utah State Tax Commission <http://www.tax.utah.gov/sales/rates.html>

**AMERICAN FORK CITY**  
**Sales Tax Payers by Industry**  
Fiscal Years 2005 and 2015

	Fiscal Year 2005				Fiscal Year 2015			
	Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total	Number of Filers	Percentage of Total	Tax Revenue	Percentage of Total
Retail/Grocery	10	1.40%	\$228,284	4.86%	52	1.70%	\$340,458	3.98%
Retail/Other	55	7.69%	1,365,407	29.08%	260	8.48%	2,079,944	24.32%
Utility/Communication	70	9.79%	244,001	5.20%	149	4.86%	522,747	6.11%
Auto dealers, recreational retail & supplies	36	5.03%	1,382,605	29.45%	87	2.84%	2,302,256	26.92%
Auto repair and maintenance	31	4.34%	42,331	0.90%	44	1.43%	106,652	1.25%
Clothing retail	12	1.68%	143,299	3.05%	180	5.87%	283,241	3.31%
Eating & drinking establishments	61	8.53%	311,857	6.64%	102	3.33%	805,768	9.42%
Home furnishings and appliances	3	0.42%	8,041	0.17%	51	1.66%	31,618	0.37%
Health services	39	5.45%	32,691	0.70%	239	7.79%	72,299	0.85%
Service stations & car washes	14	1.96%	79,010	1.68%	12	0.39%	116,428	1.36%
Hair care & dry cleaning	33	4.62%	16,731	0.36%	87	2.84%	59,267	0.69%
Photo, floral art, cultural and hobby	45	6.29%	59,425	1.27%	67	2.18%	164,799	1.93%
Fitness and entertainment	41	5.73%	126,596	2.70%	118	3.85%	253,559	2.96%
All other outlets	248	34.69%	174,091	3.71%	1499	48.88%	557,182	6.51%
Construction, home improvement	16	2.24%	418,919	8.92%	119	3.88%	774,980	9.06%
Utah State Tax - Motor Vehicle	1	0.14%	61,286	1.31%	1	0.03%	81,762	0.96%
<b>Total</b>	<b>715</b>	<b>100.00%</b>	<b>\$4,694,574</b>	<b>100.00%</b>	<b>3067</b>	<b>100.00%</b>	<b>\$8,552,960</b>	<b>100.00%</b>

Source: Utah State Tax Commission

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of American Fork City's revenue.

All sales tax amounts reported here are shown on a cash-basis, POS (point of sale).  
Actual cash distributions will differ due to the distribution formula utilized by the State.

**AMERICAN FORK CITY**  
**Charges for Water Fees**  
Ten Fiscal Years

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Water Sales	\$ 1,905,391	\$ 2,260,759	\$ 2,372,378	\$ 2,550,846	\$ 2,974,057	\$ 2,504,513	\$ 3,253,086	\$ 4,445,394	\$ 3,758,305	\$ 3,896,571
Secondary Water	-	-	46,689	188,141	958,048	1,505,077	-	1,673,190	2,147,205	2,295,288
Other	75,359	142,276	390,295	57,385	120,567	97,845	1,618,384	610,819	1,344,831	609,834
Totals	<u>\$ 1,980,750</u>	<u>\$ 2,403,035</u>	<u>\$ 2,809,364</u>	<u>\$ 2,796,372</u>	<u>\$ 4,052,672</u>	<u>\$ 4,107,435</u>	<u>\$ 4,871,470</u>	<u>\$ 6,729,403</u>	<u>\$ 7,250,341</u>	<u>\$ 6,801,693</u>

Source: American Fork City

Note: Other includes: Other fees, Hook-up fees, Late fees

**AMERICAN FORK CITY**  
**Charges for Sewer and Storm Drain**  
Ten Fiscal Years

	Fiscal Year									
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Sewer Sales	\$ 2,253,234	\$ 2,324,741	\$ 2,391,085	\$ 2,426,065	\$ 2,846,165	\$ 4,319,004	\$ 4,374,784	\$ 4,468,923	\$ 4,524,695	\$ 4,620,284
Storm Drain Fees	340,612	422,614	481,005	546,283	546,647	725,766	832,290	868,732	976,958	1,088,181
Other	159,821	143,862	129,587	51,278	76,234	78,172	74,563	102,384	139,968	131,060
Totals	<u>\$ 2,753,667</u>	<u>\$ 2,891,217</u>	<u>\$ 3,001,679</u>	<u>\$ 3,023,626</u>	<u>\$ 3,469,046</u>	<u>\$ 5,122,942</u>	<u>\$ 5,281,637</u>	<u>\$ 5,440,039</u>	<u>\$ 5,641,621</u>	<u>\$ 5,839,525</u>

Source: American Fork City

Note: Other includes: Other fees, Hook-up fees

**AMERICAN FORK CITY**  
**Ratios of Outstanding Debt by Type**  
Ten Years  
(Dollars in thousands)

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Gov. Debt
	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Leases	General Obligation Bonds	Revenue Bonds	Leases	
2006	18,685	5,510	4,929	779	254	-	4	35,211
2007	17,315	5,105	4,380	623	209	-	3	32,360
2008	15,935	4,680	3,831	403	45	-	1	25,245
2009	14,790	4,255	3,283	250	47,069	-	-	73,682
2010	13,595	3,855	2,735	90	47,024	-	-	70,969
2011	12,355	3,420	2,188	330	46,460	-	-	68,038
2012	11,090	2,980	-	807	45,355	-	-	63,117
2013	9,757	3,612	-	209	44,185	800	-	59,363
2014	8,398	3,110	-	326	42,970	769	-	56,342
2015	6,868	2,701	-	319	41,995	737	-	52,620

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**AMERICAN FORK CITY**  
**Ratios of Outstanding Debt as a Percentage of Personal Income and Property Value**  
Ten Years  
(Dollars in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Ratio of total debt outstanding as a percentage of personal income:</b>										
Total Debt	52,620	\$56,342	\$59,363	\$63,117	\$68,038	\$70,969	\$73,682	\$25,245	\$32,360	\$35,211
Personal Income (based on Previous Year's Average Federal AGI)	\$568,058	\$540,082	\$540,082	\$522,828	\$506,221	\$471,354	\$461,848	\$481,848	\$502,510	\$477,883
Ratio of total debt outstanding as a percentage of personal income:	9.26%	10.43%	10.99%	12.07%	13.44%	15.06%	15.95%	5.24%	6.44%	7.37%
<b>Ratio of general bonded debt to estimated actual value of property:</b>										
General bonded debt to be repaid from property taxes	\$48,863	\$51,368	\$53,942	\$56,445	\$58,815	\$60,619	\$61,859	\$15,980	\$17,524	\$18,939
Taxable assessed value	\$1,672,352	\$1,529,845	\$1,489,370	\$1,493,843	\$1,558,760	\$1,653,077	\$1,586,365	\$1,469,985	\$1,159,847	\$1,012,769
Ratio of general bonded debt to assessed value of property	2.92%	3.36%	3.62%	3.78%	3.77%	3.67%	3.90%	1.09%	1.51%	1.87%
Population (Per Census)	29,415	27,813	27,147	26,814	26,401	26,263	27,019	26,590	24,546	25,131
<b>Total Debt per Capita (in thousands)</b>	\$1.79	\$2.03	\$2.19	\$2.35	\$2.58	\$2.70	\$2.73	\$0.95	\$1.32	\$1.40

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.  
 Personal income - [www.tax.utah.gov/esu/income](http://www.tax.utah.gov/esu/income)  
 Value of property: Utah State Tax Commission - Property Tax Division, Utah County Assessor's Office  
 Population Data: <http://gomb.utah.gov/budget-policy/demographic-economic-analysis/> (2015 population Averaged 2010 and 2020.)  
<http://www.census.gov/popest/data/cities/totals>

**AMERICAN FORK CITY**  
**Direct and Overlapping Governmental Obligation Debt**  
For Period Ended June 30, 2015

<u>Government Unit</u>	<u>Entity's Outstanding General Obligation Debt</u>	<u>City's Percentage of Taxable Value</u>	<u>City's Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes</b>			
CUWCD <sup>3,4</sup>	\$ 240,065,000	1.40%	\$ 3,360,910
Alpine School District	417,155,000	9.20%	38,378,260
Subtotal, overlapping debt			41,739,170
<b>City direct debt (6)</b>			48,863,000
<b>Total direct and overlapping debt</b>			<u>\$ 90,602,170</u>

- Note: (1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of American Fork City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident-and therefore responsible for repaying the debt-of each overlapping government.
- (2) Central Utah Water Conservancy District's (CUWCD) outstanding general obligation bonds are limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding ad valorem tax bonds.
- (3) CUWCD is located in multiple counties. Overlapping debt is based solely on the portion of value within City boundaries.
- (4) All portions of this American Fork City's outstanding general obligation debt related to secondary irrigation bonds are supported by user fee revenues from water or sewer.
- (5) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.
- (6) Source; Utah State Tax Commission TC-233b reports. Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.



**AMERICAN FORK CITY**  
**Legal Debt Margin Information**  
Ten Fiscal Years  
(Dollars in thousands)

Assessed value	\$ 2,403,307
Debt limit (12% of assessed value)	288,397
Debt applicable to limit:	
General obligation bonds	48,863
Total net debt applicable to limit	\$ 48,863
Legal debt margin	\$ 239,534

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 135,831	\$ 172,956	\$ 270,253	\$ 284,715	\$ 278,975	\$ 265,123	\$ 255,578	\$ 253,652	\$ 261,291	\$ 288,397
Total net debt applicable to limit	23,222	22,175	68,029	66,889	65,698	58,815	56,425	52,425	51,368	48,863
Legal debt margin	\$ 112,609	\$ 150,781	\$ 202,224	\$ 217,826	\$ 213,277	\$ 206,308	\$ 199,153	\$ 201,227	\$ 209,923	\$ 239,534
Total net debt applicable to the limit as a percentage of debt limit	17.10%	12.82%	25.17%	23.49%	23.55%	22.18%	22.08%	20.67%	19.66%	16.94%

Source: Uah State Property Tax Division

Notes: Under state finance law, the city's outstanding general obligation debt should not exceed 12% of total assessed property value.  
Of this percent, a maximum of 4% may be used for general purpose. The remaining 8% and any unused portion of the 4% available for general purpose up to a maximum of 12% may be used for water, sewer, and electrical projects.

**AMERICAN FORK CITY**  
Pledged Revenue Coverage  
Ten Fiscal Years  
(Dollars in thousands)

Fiscal Year	Water Bonds						Special Assessment Bonds				Sales Tax Increment Bonds			
	Utility Service Charge	Less: Operating Expenses	Net Available Revenue	Debt Service			Alpine/ Meadows Special Assessment Bonds	Debt Service			Sales & Use Tax	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage		Principal	Interest	Coverage
2006	5,780	3,093	2,687	210	4	12.56	1,317	549	226	1.6994	4,810	615	488	4.36
2007	6,208	2,981	3,227	45	-	71.71	1,381	549	203	1.8364	5,755	730	474	4.78
2008	6,866	3,970	2,896	45	157	14.34	1,927	549	181	2.6397	6,042	765	451	4.97
2009	6,309	5,499	810	45	2,059	0.38	1,354	548	158	1.9178	5,406	775	416	4.54
2010	8,015	5,863	2,152	45	2,196	0.96	745	547	135	1.0924	4,935	765	389	4.28
2011	9,875	6,034	3,841	564	2,196	1.39	215	547	112	0.3263	4,552	820	362	3.85
2012	10,186	5,761	4,425	1,125	2177	1.34	-	-	-	-	5,390	840	325	4.63
2013	10,496	6,464	4,032	1,150	2296	1.17	-	-	-	-	5,911	460	127	10.07
2014	12,637	6,880	5,757	1,215	2095	1.74	-	-	-	-	6,235	533	164	8.95
2015	12,677	9,297	3,380	1,282	2,073	1.01	-	-	-	-	6,549	458	45	13.02

Source: American Fork City

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

**AMERICAN FORK CITY**  
**Demographic and Economic Statistics**  
Ten Calendar Years

Calendar Year	Population	Personal Income (Federal AGI)	Per Capita Personal Income	Unemployment Rate
2005	23,806	408,579,652	17,163	4.7%
2006	24,198	477,883,707	19,749	3.4%
2007	24,596	502,510,106	20,431	3.0%
2008	25,001	481,847,897	19,273	4.4%
2009	25,412	461,425,096	18,158	8.0%
2010	26,263	471,354,923	17,947	9.1%
2011	26,695	506,221,345	18,963	9.3%
2012	27,134	522,828,276	19,268	6.3%
2013	27,581	535,777,308	19,426	4.6%
2014	28,152	568,057,835	20,178	3.5%

Sources: Unemployment rate - <http://www.bls.gov/eag/eag.ut.htm>

Personal income - [www.tax.utah.gov/esu/income](http://www.tax.utah.gov/esu/income)

Population Projection-<http://gomb.utah.gov/budget-policy/demographic-economic-analysis/> (averaged 2010 and 2020)

\* 2015 personal income amounts are not available.

**AMERICAN FORK CITY**  
**Full-Time Equivilant City Employees by Function/Program**  
**Ten Fiscal Years**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government										
Administration	9.37	9.43	8.89	9.35	7.88	8.87	9.82	9.96	10.59	10.37
Legal <sup>1</sup>	1.00	1.21	0.02	-	-	-	-	-	-	-
Data Processing	1.00	-	-	-	-	-	-	-	-	-
Economic Development	0.22	0.32	0.30	0.23	0.22	0.21	0.18	0.20	0.19	0.84
Police										
Officers	33.58	32.13	31.85	32.38	30.60	32.55	32.14	33.51	32.76	34.00
Civilians	8.67	10.67	8.94	8.97	9.69	8.47	9.25	9.43	9.50	10.03
Fire/Ambulance <sup>1</sup>										
Firefighters and officers	3.64	4.27	5.17	2.82	1.00	0.63	0.96	0.21	0.29	23.50
Ambulance	8.70	9.20	22.53	28.87	31.84	31.24	34.81	37.04	32.96	10.32
Public Works										
Building and Grounds	3.45	4.01	3.43	3.43	3.43	3.43	3.43	3.43	3.43	3.42
Building Inspections	5.72	5.17	5.48	5.60	4.04	4.00	4.00	4.00	3.39	3.23
Engineering	2.00	2.00	2.98	3.00	3.00	3.00	3.00	3.60	4.67	4.79
Fleet	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.57	-	-
Public Works Admin.	-	0.49	1.26	1.37	1.38	0.77	1.09	1.90	2.00	2.00
Secondary Irrigation <sup>1</sup>	-	-	2.53	2.66	2.09	2.00	2.00	2.00	2.00	2.00
Sewer	3.00	3.83	4.63	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Storm Drain	1.00	1.00	1.00	1.00	1.00	1.13	1.29	1.00	1.00	1.00
Streets	3.17	3.02	4.00	5.00	5.54	5.08	6.02	7.00	6.94	6.05
Water	5.00	5.00	6.56	8.00	8.00	7.68	6.83	6.00	6.00	6.09
Planning <sup>1</sup>	3.00	3.00	3.15	4.00	4.00	4.00	4.00	3.15	2.00	2.00
Parks and recreation <sup>1</sup>										
Cemetery	7.78	6.81	7.57	7.33	7.62	7.62	7.69	7.09	7.37	7.58
Recreation	4.23	4.13	5.43	5.18	5.04	5.61	7.82	8.40	8.80	8.05
Fitness	23.33	28.23	37.78	38.85	36.37	35.87	37.05	36.84	40.90	37.57
Parks	7.54	6.74	7.80	8.88	8.04	8.84	10.65	10.87	11.58	10.68
Boat Harbor	2.07	2.21	2.24	2.12	2.24	1.67	0.76	1.22	1.02	1.18
Library	12.43	13.71	12.94	12.59	12.12	12.87	12.96	12.61	11.45	11.28
Literacy	0.79	0.78	0.95	1.00	1.00	1.00	1.00	0.05	0.59	0.60
Broadband	5.52	5.45	4.49	4.00	3.00	2.00	2.00	2.00	2.00	2.00
Arts	-	-	1.00	1.00	1.00	1.00	1.02	1.01	-	-
Total	<u>157.21</u>	<u>163.81</u>	<u>193.92</u>	<u>203.63</u>	<u>196.14</u>	<u>195.54</u>	<u>205.77</u>	<u>208.09</u>	<u>206.43</u>	<u>203.58</u>

**AMERICAN FORK CITY**  
**Principal Employers**  
Current Year and Ten Years Ago

	2015		2005	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Alpine Bd of Education	500-999	1		
American Fork Hospital	500-999	1		
State of Utah, Ut. State Developmenta	500-999	1		
DMI GC Holdings, LLC	250-499	2		
Domo, Inc	250-499	2		
Henry Schein Practice Solutions	250-499	2		
Myler Disability, LLC	250-499	2		
Universal Contracting, LLC	250-499	2		
Wal Mart	250-499	3		
The Home Depot	100-249	3		
Target	100-249	3		
Utah State Development Center			500-999	1
Substitutes			500-999	1
American Fork Hospital			500-999	1
Walmart			500-999	1
Alpine Board of Education			250-499	2
Sentro Innovations			250-499	2
Dentrix Dental Systems			250-499	2
Twinlab Corporation			250-499	2
Target Corp			100-249	3
Home Depot			100-249	3
Total	<u>3200-6489</u>		<u>3200-6490</u>	

Source:

<http://jobs.utah.gov/jsp/firmfind/Largefirms.do?firmarea=Utah>

<http://jobs.utah.gov/jsp/firmfind/welcome.do>

\*\*\*Specific employee numbers are no longer available. A range of the number of employees are presented instead.

**AMERICAN FORK CITY**  
**Operating Indicators by Function/Program**  
**Ten Fiscal Years**

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program											
General government											
Building permits issued	626	452	463	466	354	263	299	337	398	392	504
Business licenses issued	-	-	-	-	-	-	-	-	-	199	218
Paychecks issued	-	-	-	-	-	-	-	-	-	10,938	11,265
Vendor checks issued	-	-	-	-	-	-	-	-	-	6,052	4,564
Police											
Physical arrests											
Adults	1,395	774	1,450	1,244	1,516	1,287	1,112	1,007	983	887	847
Juveniles	335	309	442	446	510	512	363	344	285	239	290
Homicide	-	1	-	1	-	-	1	-	-	1	-
Rape	7	10	7	5	10	8	7	11	5	3	5
Robbery	3	1	6	5	8	10	15	4	6	6	4
Aggravated Assault	17	17	16	23	17	16	18	8	23	16	12
Burglary	175	144	246	145	222	162	186	175	117	106	87
Larceny	858	755	744	840	1,041	969	795	731	672	674	721
Motor Vehicle Theft	52	71	60	44	39	43	27	34	30	37	13
Arson	1	1	-	5	2	4	1	2	2	1	-
Crime Rate/1000	49.72	46.79	31.73	30.14	36.57	31.77	29.14	38	23	22	22
Violent Crime									34	26	-
Ambulance											
911 calls	-	-	-	-	-	-	-	-	1,003	1,170	1,237
Basic Life support transports	-	-	-	-	-	-	-	-	468	465	464
Advanced life support transports	-	-	-	-	-	-	-	-	374	379	310
Critical Care ICU Transports	-	-	-	-	-	-	-	-	40	72	48
Other	-	-	-	-	-	-	-	-	521	-	-
Fire											
Alarms	-	-	-	-	-	-	-	-	175	164	183
Public Education Events	-	-	-	-	-	-	-	-	8,306	5,728	7,651
Hydrant Inspections	-	-	-	-	-	-	-	-	2,464	776	3,160
Business Fire Inspections	-	-	-	-	-	-	-	-	305	1,132	1,454
Structural fires	14	17	18	18	9	19	13	167	14	16	19
Vehicle fires	10	10	13	16	8	7	7	-	170	18	56
Extractions	-	-	-	-	-	-	-	-	17	17	21
Outside fires	13	21	31	64	14	10	19	48	20	12	15
All other fires	3	-	3	3	-	26	5	-	373	117	134
Public Works											
Street resurfacing (miles)	-	-	-	-	-	-	-	-	4	3	-
Potholes repaired*	-	-	-	-	-	-	23	35	450	35	-
Parks and recreation											
Cemetery Burials	157	151	143	174	159	136	161	174	184	147	156
Fitness center admissions			185,197	204,727	245,552	277,339	282,991	251,632	272,533	258,406	260,000
Water											
New Residential connections											
Residential	117	196	214	134	55	48	63	77	118	186	107
Commercial	37	20	14	15	12	4	7	10	12	19	12
Water main breaks	-	-	-	-	-	-	-	-	90	72	-
Average daily consumption* (thousands of gallons)	-	-	-	-	-	1669.47	4626.46	3138.88	3110.00	2806.32	2383.42
Sewer											
Average daily sewer treatment (thousands of gallons)	79.00	85.38	99.84	104.76	96.72	96.49	113.41	111.09	85.12	64.78	52.09
Library											
Volumes in collection	98,354	102,608	101,645	102,787	105,877	107,472	113,851	108,366	112,645	122,922	106,195
Total volumes borrowed	254,546	272,402	260,219	300,633	330,458	341,545	311,310	364,343	295,212	299,550	307,772

Sources: American Fork City

<http://bcf.utah.gov/wp-content/uploads/sites/15/2015/09/2014-Preliminary-Report-final-1.pdf>

<http://publicsafety.utah.gov/firemarshal>

Utah State Fire Marshal Office

[https://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-8/table-8-by-state/Table\\_8\\_Offenses](https://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2014/crime-in-the-u.s.-2014/tables/table-8/table-8-by-state/Table_8_Offenses)

Known\_to\_Law\_Enforcement\_by\_Utah\_by\_City\_2014

<http://publicsafety.utah.gov/firemarshal/documents/2013FireReportbyFDID.pdf>

\*Data prior to information for years listed, is not available.

**AMERICAN FORK CITY**  
**Capital Assets by Function/Program**  
Ten Fiscal Years

	Fiscal Year										
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program											
Police											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	32	32	32	32	32	43	43	43	43
Fire Stations	1	1	1	1	1	1	1	1	1	1	1
Public Works											
Streets (miles)	99.05	100.75	102.23	103.54	104.01	104.04	104.26	105.30	105.76	111.56	111.56
Streetlights	-	-	-	-	-	-	-	-	-	1121	1121
Parks and recreation											
Acreage	163	163	163	168	174	174	174	174	174	183	183
Playgrounds	8	31	31	31	31	31	31	31	32	32	32
Baseball/softball diamonds	11	11	11	11	11	11	11	11	11	11	11
Soccer/football fields	7	10	10	10	10	10	10	10	10	10	10
Flag footbal fields	6	6	8	8	8	8	8	8	8	8	8
Tackle football fields	1	1	1	1	1	1	1	1	1	3	3
Basketball/tennis courts	1	1	1	1	1	1	1	1	1	1	1
Community centers	1	1	1	1	1	1	1	1	1	1	1
Water											
Culinary Water Lines (miles)	127.66	129.99	133.50	134.30	136.68	136.68	136.77	136.84	137.29	150.64	158.91
Irrigation Water Lines (miles)*	-	-	-	-	-	-	-	-	120.58	103.7	114.68
Irrigation line breaks*	-	-	-	-	-	-	-	-	9	57	57
Storm Drain (miles)	16.84	17.65	18.54	18.62	19.53	19.53	19.53	19.59	19.7	56.66	62.54
Sanitary sewers (miles)	103.36	105.26	108.08	108.81	110.58	110.58	110.65	110.67	111.08	123.1	123.73
Average monthly sewer treatment (millions of gallons; contract)	79.00	85.38	99.84	104.76	96.72	96.49	113.41	111.09	85.123	64.7781	64.7781
Fire Hydrants*	-	-	-	-	-	-	-	1,111	1,111	1068	1068
Upper pond storage capacity(million of g	-	-	-	-	-	-	-	5	5	5	5
Lower pond storage capacity (millions of	-	-	-	-	-	-	-	10	10	10	10

Sources: American Fork City

\*Data prior to information for years listed, is not available.

**AMERICAN FORK CITY**  
**Schedule of Insurance**  
July 2014 through June 2015

Description	Company	Liability Limit	Effective Date
Property	Affiliated FM	\$37,924,130	7/1/2014
Contents	Affiliated FM	\$11,413,910	7/1/2014
Contractors equipment	Affiliated FM	\$1,289,647	7/1/2014
EDP equipment	Affiliated FM	\$4,136,360	7/1/2014
Earthquake	Affiliated FM	\$50,000,000	7/1/2014
Flood	Affiliated FM	\$50,000,000	7/1/2014
Crime	Travelers	\$500,000.00	7/1/2014
General liability	One Beacon	\$1,000,000/\$3,000,000	7/1/2014
Automobile liability	One Beacon	\$1,000,000	7/1/2014
Employment practices	One Beacon	\$1,000,000/\$3,000,000	7/1/2014
Employee benefit	One Beacon	\$1,000,000/\$3,000,000	7/1/2014
Public officials E & O	One Beacon	\$1,000,000/\$3,000,000	7/1/2014
Law enforcement	One Beacon	\$1,000,000/\$3,000,000	7/1/2014
Umbrella	One Beacon / Torus	\$15,000,000	7/1/2014
Auto damage	One Beacon	Actual cash value	7/1/2014
Public official treasurer bond	The Hartford	\$1,500,000	4/4/2014



# Compliance Reports

**AMERICAN FORK CITY**  
Schedule of Expenditures of State Grants, Contracts and Loan Funds  
For the Year Ended June 30, 2015

Grant Name	Award/Contract # (if applicable)	Expenditures
<b><u>Utah State Library Division</u></b>		
Community Library Enhancement Fund	USL-13-0174	\$ 8,049
<b>Subtotal – Utah State Library Division</b>		<b>\$ 8,049</b>
<b><u>Mountain land Association of Governments</u></b>		
CDBG Grant (Receivable)	B-12-UC-49-003 CDA #14.218	\$ 251,166
<b>Subtotal – Utah Division of Drinking Water</b>		<b>\$ 251,166</b>
<b><u>Utah Historical Society</u></b>		
Historical Preservation Commission		\$ 2,888
<b>Subtotal –Utah Historical Society</b>		<b>\$ 2,888</b>
<b><u>US Department of Justice</u></b>		
COPS		\$ 2,649
<b>Subtotal –US Department of Justice</b>		<b>\$ 2,649</b>
<b><u>Department of Public Safety</u></b>		
DUI Enforcement		\$ 7,827
Click it or Ticket		481
Tobacco Compliance		705
UCMC Funds		251
<b>Subtotal –Department of Public Safety</b>		<b>\$ 9,264</b>
<b><u>VOCA</u></b>		
Victims of Crime Act	94-638-4336	\$ 27,681
<b>Subtotal – VOCA</b>		<b>\$ 27,681</b>
<b><u>Economic Development</u></b>		
CDBG-Parks		\$ 4,980
<b>Subtotal – Economic Development</b>		<b>\$ 4,980</b>
<b><u>Utah County</u></b>		
900 West Funding		\$ 657,987
900 West Funding (Receivable)		196,853
<b>Subtotal – Utah County</b>		<b>\$ 854,840</b>
<b>TOTAL GRANT, CONTRACT, AND LOAN FUND EXPENDITURES</b>		<b>\$ 1,161,517</b>

Thank you, from the Administration and Staff of American Fork City, for your interest in our City.